

# The NATIONAL UNDERWRITER

*Democracy in the Making*



WHEN GEORGE III heard of the French Alliance with the "United States of America," he ordered Parliament to offer the colonies everything they had ever demanded, except independence. Because bribes were widely used in those days, Parliament courted General Joseph Reed, aide-de-camp to Washington, with a large sum of money to influence Congress to accept Britain's suggestion. General Reed answered, "I am not worth

purchasing but such as I am, the king of Great Britain, with all his wealth, is not rich enough to buy me."

Our sincere endeavor to adhere to the principles of democracy, which are exemplified in the American Agency System, has gained the respect and confidence of the agents of America. These are cherished assets.



**CRUM & FORSTER**  
MANAGER

110 WILLIAM STREET • NEW YORK 38, NEW YORK

UNITED STATES FIRE INSURANCE CO.

Organized 1824

THE WESTERN ASSURANCE CO., U. S. Branch

Incorporated 1851

THE NORTH RIVER INSURANCE CO.

Organized 1822

THE BRITISH AMERICA ASSURANCE CO., U. S. Branch

Incorporated 1833

WESTCHESTER FIRE INSURANCE CO.

Organized 1837

SOUTHERN FIRE INSURANCE CO., Durham, N. C.

Incorporated 1923

WESTERN DEPT. FREEPORT, ILL.

PACIFIC DEPT. SAN FRANCISCO

SOUTHERN DEPT. ATLANTA

ALLEGHENY DEPT. PITTSBURGH

VIRGINIA CAROLINAS DEPT. DURHAM, N. C.



THURSDAY, AUGUST 28, 1952

we're



popping our buttons!

And why not? In 17 years more than 6,500 producers have been shown how they can produce more business with less detail (and less expense) for their offices.

Have you benefited by the experience of the oldest Agency Systems Department in the country and the first insurance company to offer *personal contact* advisory service?

Agency Systems Department  
Royal-Liverpool Insurance Group, 150 William St., N.Y. 38, N.Y.

Please send me further particulars regarding  
Agency Systems service.

Agent's Name \_\_\_\_\_

Address \_\_\_\_\_

Represent Royal-Liverpool Insurance Group: Yes  No

**ROYAL-LIVERPOOL**  
*Insurance Group*

CASUALTY • FIRE • MARINE • SURETY  
150 WILLIAM ST., NEW YORK 38, N.Y.

ROYAL INSURANCE COMPANY, LIMITED • ROYAL INDEMNITY COMPANY • AMERICAN & FOREIGN INSURANCE COMPANY • THE  
BRITISH & FOREIGN MARINE INSURANCE CO., LTD. • NEWARK INSURANCE COMPANY • QUEEN INSURANCE COMPANY OF AMERICA  
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • GLOBE INDEMNITY COMPANY • STAR INSURANCE COMPANY  
OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY



BE SURE  
THEIR INSURANCE IS IN LINE WITH  
TODAY'S PROPERTY VALUES

"It's the Service that Counts!"



### THE SPRINGFIELD GROUP

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY SPRINGFIELD, MASS.  
NEW ENGLAND INSURANCE COMPANY . . . . . SPRINGFIELD, MASS.  
MICHIGAN FIRE AND MARINE INSURANCE COMPANY . . . . DETROIT, MICH.

### OF INSURANCE COMPANIES

## STOCK COMPANY FACILITIES

*Specializing  
IN ALL COVERAGES FOR*

- TAXICABS
- LONG HAUL TRUCKS  
(ALL CLASSES)
- BUSES
- RENTAL CARS

**PUBLIC LIABILITY &  
PROPERTY DAMAGE  
FIRE, THEFT AND COLLISION  
CARGO**

We invite your inquiry

**STAUNTON, GLOVER & CO.**

CHICAGO 4, ILLINOIS

175 W. Jackson Blvd.

HARRISON 7-5807

## \$1 Million Insurance Loss Seen in Quake at Bakersfield, Cal.

**More Than 100 Buildings Affected—Plate Glass and P.P.F. Big Factor**

LOS ANGELES—Insurance loss at Bakersfield, Cal., resulting from the two earthquakes of July 21 and Aug. 22, is still difficult to estimate. More than 100 buildings were either totally destroyed or seriously damaged. Monetary losses have been estimated at in excess of \$30 million, but Mayor Frank Sullivan is quoted in the daily press as scaling this down to \$10 million.

As the result of the first quake, 10 blocks of the city were declared a disaster area, but following the second one, this was increased to 68 blocks.

Plate glass and P.P.F. insurance

Preliminary estimates place the total insured loss at a result of the last earthquake at Bakersfield, Cal., at about \$1 million. This is substantially less than the more than \$5 million which the quake cost that originated in Tehachapi and that did a good deal of damage at Los Angeles.

The damage to property at Bakersfield from the last quake may be 10 or 20 times the insurance loss because much of the property hit was not covered for earthquake. One of the worst losses to property was suffered by the Kern County Hospital, but it was uninsured. Several local units of chain stores did have earthquake cover, including Lerner Shops. The 5% deductible, which all such cover carries, would cover a great deal of the damage in a minor earthquake, as it did in the Tehachapi tremor.

losses due to the two shocks are likely to equal property damage to buildings and utilities.

Earthquake coverage in the stricken area is not definitely known. Reports have been circulated that it is approximately \$4 million. But final figures must await adjustments of losses.

### Two Major Structural Losses

Two major structural losses due to the last tremor have been reported, S. S. Kresge Co. store and Buda Co. plant.

Practically all the county and city governmental buildings have been condemned and are now being torn down. These include the Kern County Hospital, which it is reported practically will have to be replaced by a new structure.

Following the second quake some question arose whether a single deductible applied to policies, but this quickly was resolved when the forms were consulted and a 72-hour deadline was set for a second quake being considered a part of the first one. Thus it is held that in the present circumstances a deductible applied in both instances.

### Easterners on Hand

Brokers' representatives from the east are reported to be in Bakersfield surveying the situation, this indicating that at least some of the coverage may have been placed abroad.

Toplis & Harding-Wagner & Glidden, and General Adjustment Bureau are handling the majority of claims, with

## Cites Reasons for Deductible Filing in Okla.

OKLAHOMA CITY—In connection with the filing by Oklahoma Inspection Bureau of a \$50 windstorm and hail deductible clause applying to building and structure items including outside antennae and aerials, but not applying to contents, experience figures are set forth. The exact coverage loss ratio in Oklahoma for the 10 year period—1942-1951—on the basis of premium written and losses paid was 56.36 but on an earned basis was 86.08. If a \$50 deductible had been in effect on the building items, it is estimated the loss ratio on a written basis would have been 39.12 and on an earned basis 61.54. If these premiums are adjusted to allow for the rate increases adopted during this period, then the following results are shown: For the 10 year period the loss ratio on a written basis adjusted would be 45.07. On an earned basis, however, the loss ratio would be 61.54, but with the \$50 deductible in effect the ratio would be 42.71. With an expense ratio of 51.84 percent to earned premiums the losses and expenses would be 113.38% and on an adjusted basis 94.55% if a \$50 deductible had been in effect.

The bureau filing points out that extended coverage insurance is fundamentally a catastrophe coverage and that the frequency of major tornadoes in Oklahoma year after year makes it impossible to underwrite this coverage except on a catastrophe basis. The public in recent years has become noticeably loss conscious and as a result a large proportion of losses are definitely maintenance or repair losses, it is said. These losses may or may not be in connection with actual tornadoes or hailstorms. The cost of adjusting such losses is out of all proportion to the amount of the loss. These factors have had an unpleasant effect of "drying up" the reinsurance market as well as materially increasing the cost, the filing maintained. Excess or catastrophe reinsurers are demanding that a deductible be required to ease the burden of these maintenance and repair losses similar to the deductible rules now in effect in the east and southeast.

A similar filing has been made in Kansas.

In both Oklahoma and Kansas the cost of extended coverage and windstorm with the deductible is the same as the old full coverage rates. For full cover the rate is 50% higher than the present tariff. THE NATIONAL UNDERWRITER last week was in error in stating that the rate for full cover was 25% higher than the present scale.

## Gould Slated to Head Oregon Agents Assn.

Phil Gould of Lumbermens Insurance Agency, Bend, has been nominated for president of Oregon Assn. of Insurance Agents; Marshall R. Brown of Cole, Clark & Cunningham, Portland, for chairman of the executive committee, and Harold B. Larson, retiring president, for state national director to succeed Charles H. Huggins. The nominations will be voted upon at the Sept. 8-9 convention at Portland.

independent adjusters on individual risks.

Catastrophe number 29 has been assigned to the Bakersfield losses. National Board at present does not contemplate setting up a supervisory office there.

## McIntosh Is New West Virginia Chief

**Carson Named Head of Executive Committee at White Sulphur Annual**

Frank S. McIntosh of Huntington was elected president of West Virginia Assn. of Insurance Agents at its annual convention at White Sulphur Springs. He succeeds Edwin Ratcliffe, Beckley, who becomes state national director. R. E. Carson, Charleston, was named chairman of the executive committee. C. T. McHenry, Charleston, continues as secretary-treasurer.

A resolution condemning the installation premium plans filed in West Virginia by several companies was unanimously passed. Copies are to be sent to every company operating in the state.

Named to the executive committee were Rosser Long, Fayetteville; Clyde E. Smith, Jr., Martinsburg; C. W. Murphy, Matoaka; D. S. Butler, Wheeling; Ross Williamson, St. Marys; Jack Simons, Morgantown; Don Levinson, Logan, and Marion Redd, Clarksburg.

Conference committee members are R. D. Watts, Beckley; A. B. C. Bray, Jr., Logan, and W. Gaston Caperton, Jr., Charleston.

Besides addresses by Mr. Ratcliffe and other officers there were talks by Ernest F. Young, Charlotte, N. C., chairman of the educational committee of N.A.I.A.; James M. Cahill, secretary of National Bureau of Casualty Underwriters; Philip S. Beebe, associate western manager of Hartford Fire; Robert Maxwell, Texarkana, a member of the N.A.I.A. executive committee; J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies; Chester A. Snow, vice-president of Phoenix of Hartford, and Commissioner Mills of West Virginia.

The addresses of Messrs. Dorsett and Snow were treated fully in last week's issue. Mr. Young described the study program of N.A.I.A., urging the West Virginia agents to sponsor courses on both the state and local association levels. He explained that the courses are given on a correspondence basis but said the benefit to the agent usually is greater when study is on a group basis.

Mr. Beebe discussed the role of rating bureaus in insurance and gave a brief history of the West Virginia bureau.

## New 1952 Wisconsin Handbook Is Off Press

The new 1952 Underwriters Handbook of Wisconsin has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance over the entire state.

Premiums and losses by lines, in Wisconsin, for all fire and casualty companies, and life insurance paid for and in force by life companies, are also presented in a special statistical section. Copies may be obtained immediately from the National Underwriter Co. at 420 East 4th street, Cincinnati 2, O. Price \$12 per copy.

## General Motors Hits Hard in High Court Fight in Ohio Case

**Arguments Are Marshaled in Briefs Aiming to Blast Ohio Barricade**



Edwin Ratcliffe

Motors Ins. Corp. has filed with the U. S. Supreme Court a statement as to jurisdiction and a brief in opposition to the motion of Superintendent Robinson of Ohio to dismiss, in its appeal from the Ohio supreme court decision which has the effect of barring automobile dealers being licensed as insurance agents.

Motors argues that the Ohio supreme court decision subverts the licensing law to the promotion solely of private competitive as distinguished from public purposes and to the preference of the economic interests of one group to those of another. This, the brief argues, harms the interests of the automobile insuring public without striking at any public evil or tendency toward evil.

The practical effect of the Ohio statutes as construed and applied is to create an occupational class against which there is discrimination, the brief asserts. Automobile dealers and their employees are denied insurance licenses on a ground related solely to their "primary business of selling automobiles," as well as by means of a test which almost inevitably excludes them on that ground. As a practical matter, the class is closed. This practical exclusion is accomplished by a classification which has no reasonable or rational relationship to any legitimate purpose of the licensing laws, it is argued.

### Principal Use Test

The pretext for it, given in the opinion of the common pleas court (that at "the time the car sale is consummated" the automobile dealer-agent is in "an especially advantageous position to place the insurance" and thereby enjoys "an unfair advantage") is not a legitimate public purpose, and even if it were, the principal-use test is obviously wholly irrational as a means to "prevent" any such "unfair advantage in the placing of insurance," the argument proceeds.

The brief goes on to allege that the impact of the statutes, as construed and applied, is arbitrary. Were the dealer-agent successful in selling insurance to everyone of his automobile purchasers, yet had sold a larger number of policies to his "outside" clientele, he would not run afoul of the law as so construed. The relatively small dealer selling only 100 new cars a year, but insuring each of the purchasers or a majority, would be in violation of the statutes as construed, whereas a large dealer selling 1000 cars annually, who sold insurance to many of his car purchasers and sold more insurance to his "outside" clientele would not be in violation of the statutes as construed. Thus, the brief says, the agents' production record is a wholly irrational criterion for fixing the line of demarcation between the class of dealer-agents that possesses a so-called "unfair advantage in the placing of insurance" and the class of dealer-agents which supposedly is not so advantageously situated.

The restrictive force of the superintendent's construction and application not

(CONTINUED ON PAGE 24)

## Walter Bennett and E. H. O'Connor Are Featured in Ill.

Added to the program for the convention of Illinois Assn. of Insurance Agents at Hotel Leland, Springfield, Ill., Sept. 7-9, are Walter H. Bennett, counsel of National Assn. of Insurance Agents, and Edward H. O'Connor, managing director of Insurance Economics Society of America.

It was in Illinois that Mr. Bennett started his career in agency organization work and he will be welcomed back to that state with great acclaim.

"Competitive System" is the topic of Mr. O'Connor's address.

The convention will come to a close with a floor show and banquet Sept. 9.

There will be no speeches, but the entertainment will be of a high order with Millers National and Illinois Fire sponsoring it.

There is a program for the ladies featuring a luncheon at Hotel Abraham Lincoln with music and entertainment. Miss Ruth Smith is chairman of the ladies' committee.

### G. M. Walpole Is President of Chicago Class I Agency

George M. Walpole has been elected president of William C. Danne & Co., the well known metropolitan supervising agency of Chicago. Mr. Danne died last April 1 while playing golf at Biloxi. Mr. Walpole has been with the Danne agency 24 years and in recent years has had the position of secretary-treasurer. He has been in the business since 1920, having started with Charles Andersen & Co.

### HAMILTON FIRE VEHICLE

## Weekly Premium Fire Plan Is in the Making

Hamilton Fire of New York, which has been in a somewhat dormant state, but still is licensed in 30 states, has been purchased by W. C. Jennings of Montgomery, Ala., and is to be used in a program for developing a weekly premium fire insurance business through a corps of some 3,000 weekly premium industrial life insurance and A. & H. agents. Capital of Hamilton Fire is \$250,000 and net surplus is \$100,000, and Mr. Jennings states that the plan is to increase the capital-surplus to \$1 million. He states that a volume of \$2 1/2 million of such fire insurance premiums can be attained. The insurance will be confined to household goods and personal effects.

Mr. Jennings was president of All State Life of Montgomery, Ala., which was purchased by United Ins. Co. of Chicago, and Mr. Jennings has served as actuarial consultant for United. He is also president of Old South Life Ins. Co., which was formerly known as Alabama Insurance Service Co.

### Owens Los Angeles Insurer

Just recently Mr. Jennings and his associates acquired 100% of the stock of Unity Mutual Life & Accident of Los Angeles, and he is now the president of that company. Mr. Jennings states that he plans to coordinate the operations of Hamilton Fire with the weekly premium industrial agents of Unity Mutual and of United of Chicago. The combined agency force of these two companies, he states, is nearly 3,000 and the agents are located in 39 states and District of Columbia.

Mr. Jennings is in California this week along with O. T. Hogan, president; Jack Hogan, executive vice-president; and A. H. Teschke, general counsel of United of Chicago.

Hamilton Fire was started in 1852. It was at one time part of the Frelinghuysen insurance setup. From 1946 to 1949 it was owned by Industrial Ins. Co. of Flemington, N. J., and in the latter years, Atlas Automobile Finance Corp. and the Montgomery Agency, Inc. of Philadelphia acquired control. It was used for writing auto finance business on the so-called retrospective plan.

Mr. Jennings states that those who will be elected directors of Hamilton Fire are:

Earl Cocke, president of Fulton National Bank, Atlanta; O. T. Hogan, Jack Hogan, A. H. Teschke, George D. Gardner, president Gardner Motors, Binghamton, N. Y.; Ray Burke, vice-president North American Reassurance; Earl Cocke, Jr., former national commander American Legion; Sam Durden,

radio executive, Montgomery; William L. Jennings, purebred cattle breeder of Montgomery; John H. Hardt, realtor of Montgomery, and Leslie K. Gwaltney, Jr., former insurance commissioner of Alabama, who has been with United.

Mr. Jennings states that the debit agent establishes himself as the family insurance adviser. He is called upon to supply the family with insurance advice, whether life, fire or casualty. In the past, he has not had the facilities to write fire insurance along with life, health and accident, and Mr. Jennings feels that there is a gap to be filled.

Mr. Jennings states he is not competing with local fire agents since it is economically impossible for them to service small policies and collect the premiums weekly, on an individual basis, whereas the debit agent must make his weekly collection calls and can service the fire premiums at the same time.

Mr. Jennings voices the opinion there is a potential premium volume in excess of \$100 million in the states presently covered by the agency organization of Unity Mutual and United weekly premium fire coverage, when written by debit agents.

### Zone 4 Raters to Hold Fall Meet at Chicago Sept. 9-11

The fall meeting of the zone 4 raters organization has been called for Sept. 9-11, the casualty raters section Sept. 9, fire and inland marine Sept. 10 and A. & H. Sept. 11, at the state office building, 160 North La Salle street, Chicago.

If industry representatives desire to be heard at any of these meetings, time will be provided in the afternoon of each day for that purpose.

The fire and inland marine section at its meeting will take up (1) the zone 4 statistical plan subcommittee report and discussion in connection with the study being made by the zone 4 statistical plan committee regarding the extent to which the statistical plan ought to be modified so as to collect premium and loss experience more in accordance with the rating system filed in the respective states of zone 4; (2) report from the committee engaged in the study concerning the "fire rate portion of inland marine premium" and discussion in connection with this committee report.

### Stewart, Smith (Ill.) Insures Dorothy Lamour's Sarong

Special coverage has been arranged with London Lloyds by Stewart, Smith (Illinois), Inc., on property owned by various Hollywood studios, including Dorothy Lamour's sarong, five jet plane models seen in "Jet Pilot," a two-gun holster worn by Jane Russell, a set of sketches showing the various steps in the making of cartoon films, costumes from "The Greatest Show on Earth," old and new bathing suits worn by Esther Williams in "Million Dollar Mermaid," and Nero's chair from "Quo Vadis."

**FACING GRAND CIRCUS PARK**

**HOTEL TULLER**

First thing to do in Detroit is check in at Hotel Tuller! You'll enjoy every minute. Newly modernized. Beautifully decorated. Within walking distance of all downtown stores, theatres and business activities . . . yet, you enjoy the ever-green atmosphere of Grand Circus Park. The Tuller Coffee Shop or Cafeteria for excellent food modestly priced.

COCKTAIL LOUNGE ONE OF DETROIT'S FINEST

800 ROOMS WITH BATH FROM \$3

Harry E. Paulsen, General Manager

**DETROIT**

## WEST BEND MUTUAL FIRE INSURANCE COMPANY

**Chicago Branch**  
ARTHUR W. PETERSON, Branch Manager  
VICTOR A. HANSON, Special Agent  
ROBERT W. ZOBAC, Special Agent

### AN AGENCY COMPANY

#### UNEXCELLED

#### SERVICE

Suite 301-302  
6349 N. Clark St.  
Phone: BR 4-9500-1  
Chicago, Ill.

PAUL G. KASHEFSKA  
Special Agent  
3621 E. Williams St. Rd.  
Decatur, Ill.

(SINCE 1894)  
(Home Office)  
**WEST BEND, WISCONSIN**

RATED BY "BESTS"  
"A" + EXCELLENT  
PREFERRED RISKS



### STANDARD — UNIFORM

#### NON-ASSESSABLE

#### POLICIES

SAMUEL T. TAYLOR  
State Agent  
483 W. Lynhurst Ave.  
St. Paul 4, Minn.

GENE ZAREK, Special Agent

300 S. Sixth Ave.  
West Bend, Wisc.

JOHN RYERSON  
Special Agent  
2511 E. Bellevue Pl.  
Milwaukee, Wisc.

We invite Agency inquiries in Illinois—Indiana—Iowa—Minnesota—Wisconsin. Certain territories available for Agency representation.

G.  
Am  
Is F

Gilb  
of Gre  
partne  
prior  
comple  
new h  
Mr.  
Minne  
He pr

later  
in ins  
he be  
Fire  
the  
Whil  
gande

In  
partn  
super  
recen  
has  
depart  
dant

Suc  
bel,  
the  
starte  
Fire  
joine  
Amer  
1947  
ment  
F.  
haus  
adju  
ants

Thr  
Exe

Joh  
recto  
Nort  
treas  
the  
W.  
has

T  
C

XUM

## G. W. Funk, Great American Veteran, Is Retiring

Gilbert W. Funk, assistant secretary of Great American in the western department, is taking a leave of absence prior to his retirement. He is now completing preparations to move to his new home at New Port Richey, Fla.

Mr. Funk attended University of Minnesota and St. Paul College of Law. He practiced law for several years and



Gilbert W. Funk

later became interested in banking, and in insurance as a local agent. In 1913 he became a field man for Minneapolis Fire & Marine and in 1920 went into the Ohio field for American Eagle. While in Ohio he served as most loyal gander of the Ohio Blue Goose.

In 1931 he joined the western department of Great American as executive special agent, performing various supervisory and executive duties. In recent years, as assistant secretary, he has had executive direction of the loss department. He served a term as president of Western Loss Assn.

Succeeding Mr. Funk is John G. Kiebel, who was named superintendent of the loss department in 1951. Mr. Kiebel started as an underwriter with Dubuque Fire & Marine in 1923. In 1942 he joined the underwriting staff of Great American's western department and in 1947 was transferred to the loss department. He served a term as president of Western Loss Assn.

F. R. Loderbauer and J. T. Frankhauser have been appointed supervising adjusters and will act as direct assistants to Mr. Kiebel.

### Three Northwestern Mutual Executives Are Promoted

John H. Bolton, vice-president and director of Northwestern Mutual Fire and Northwest Casualty, has been elected treasurer to fill the vacancy caused by the recent death of Alexander Scott. W. E. Schnoberger, assistant secretary, has been appointed to the newly cre-

ated position of controller. O. Jacobsen, secretary, has been elected to the board.

Mr. Jacobsen joined the company in 1922, becoming assistant secretary in 1940 and secretary in 1944. Mr. Bolton, who joined the company in 1928, has many years been associated with the company's investment department and was elected assistant treasurer in 1929, vice-president and manager of the investment department in 1938 and a director in 1943. Mr. Schnoberger, who is in charge of the home office accounting, went with the company in 1920, becoming assistant secretary in 1945.

### Robert O'Boyle Goes to Marsh & McLennan Post

C. Robert O'Boyle is joining the Marsh & McLennan organization, it is announced by Herman D. Smith, executive vice-president. He has been associated with the Chicago insurance firm of Eliel & Loeb Co. since 1932, and during the last war he served with the Wartime Insurance Committee of War Shipping Administration at Washington and London. He started with the marine

department of North America at Chicago.

Mr. O'Boyle was tendered a dinner by the Eliel & Loeb agency Wednesday that was attended by all the men of the office.

### Arthur Sandoe Advanced

Arthur Sandoe, who has been Seattle city special agent for the United General Agency, has been advanced to special agent in western and central Washington. He has been with the general agency four years.



—That's "Reporting Form" insurance. And a lot of stores in your area are Grade A prospects for it.

"Reporting Form" insurance is specially designed for merchants and manufacturers whose values in stocks in trade vary monthly. These men need insurance that varies with the value of the goods covered. Insurance that gives them only the coverage they need—and lets them pay only for the coverage they get.

The Fire Association-Reliance "Reporting Form" policy does just that. It eliminates costly over-insurance. It prevents dangerous under-insurance. It's protection that's really elastic.

To expand your own income, tell your prospects about it. You can get valuable help from your experienced Fire Association-Reliance Field Man.

Contact him or write us direct now.

Head Offices: 401 Walnut St., Philadelphia 6, Penna. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto. Claims and Settling Agents throughout the world.

THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK



**Fire Association**  
Reliance  
INSURANCE COMPANIES OF PHILADELPHIA

## Comprehensive Fire Policy for Pacific Coast Submitted

SAN FRANCISCO—After more than a year of hearings, conferences and study the actuarial and research committee and a special committee of Pacific Board have drafted a proposed—and tentative—comprehensive dwelling fire policy which has now been submitted to the entire board membership for consideration.

Requested by Insurance Brokers Exchange of California and California Assn. of Insurance Agents, the board is acting in its legal capacity as an advisory organization for all segments. The producers expressed a desire for a uniform policy principally because company groups announced their own policies fol-

lowing the enactment of the multiple line law in California. Each policy differed, while other companies refrained from issuing anything similar. Producers felt that all companies should issue some uniform form so that all clients would receive the same coverage and the task of explaining the different features of those available would be modified. Some producers requested their companies to issue a comprehensive form and some brokers, who had never previously placed any substantial volume with the original issuing companies, felt they were handicapped and to meet competition would be compelled to by-pass their "favorite" carriers.

### Brought Up at Annual Meeting

At the last annual meeting of the board, Percy P. Lynch, secretary of Great American and chairman of the special committee, submitted a report which was discussed and the committee directed to continue its studies. John R.

Haster, fire manager for Swett & Crawford, is chairman of the actuarial and research committee.

John L. Biglen, president of the board, said that a special meeting of the membership was held to hear the report of the two committees and the draft. Mr. Biglen says the members are expected to present their opinions and suggestions "within a reasonable" time; that then following further study by the two committees, a final draft will be considered. If this form is approved the form will be submitted to the rating bureaus with a recommendation that it be used.

The tentative form includes E.C., A.E.C. and other coverages on a named peril basis.

Committees of the producers' organizations are also studying the first draft and have made some suggestions which they believe helpful from a production standpoint.

Among San Francisco producers there is a "feeling" that a "broad form" for dwellings will be available before the first of the year.

## J. G. Moseley Is Elected V.-P. of Minn. Insurers

J. G. Moseley has been elected vice-president of Hardware Mutual and Hardware Indemnity of Minneapolis and L. E. Strom has been appointed an assistant secretary. Earlier this year Mr. Moseley was appointed director of sales. He had been manager of the mid-eastern department at Cincinnati and before that had been in the southeastern department.

Mr. Strom just recently was named home office casualty underwriter.



J. G. Moseley

## Geo. Herrmann, III, Is New Herrmann Agency President

Directors of the George Herrmann & Co. class 1 agency of Chicago this week elected George Herrmann, III, as president and treasurer. Val M. Herrmann continues with the agency as a director and he will be active in the business.

The Herrmann agency is 52 years old, having been founded by George Herrmann, the grandfather of the new president.

An extensive reorganization of the Herrmann agency is planned. The quarters on the 20th floor of the Insurance Exchange building will be completely remodeled and redecorated. Considerable emphasis is to be put on the service features of the agency, and expansion of the service department is underway.

### Again Defer Ky. Hearing

The hearing before the Kentucky department on multiple locations, which was continued to Sept. 15, has again been postponed indefinitely, at least until after the Cleveland meeting of National Assn. of Insurance Agents in late September.

## Dearth Retiring, Wesley Named in Charge at Boston for Loyalty Group

Lester W. Dearth, Boston manager of Loyalty group, is retiring as of Sept. 1, under the companies' retirement plan. He will be succeeded by David A. Wesley, who has been assistant manager.

The new assistant manager at Boston is Edmund L. Bouchie, and William F. Hines, has been appointed special agent in the Boston area.

Mr. Dearth started in insurance with Travelers, and joined Metropolitan Casualty of the Loyalty group in 1926 as field representative in the middle-west. He was appointed Boston manager in 1927 in charge of all New England states except Connecticut.

Mr. Wesley started in insurance in 1922 and for 14 years was with Boston General Agencies. He went with Loyalty group in 1936, and has had field experience in the southern states and in New York. He went to Boston as assistant manager in 1948.

Mr. Bouchie, the new assistant manager, started with Aetna Casualty in 1919, going with Loyalty group in 1928. He is a past president of Massachusetts Assn. of Casualty Underwriters.

Mr. Hines joined Loyalty group at Boston after service in the war.

## Sedalia State Fair Loss Falls Lightly on Insurers

The early newspaper accounts greatly exaggerated the damage that was done in the twister that struck the Missouri State Fair ground at Sedalia. There was one story saying that havoc had been wreaked in the town as well as at the fair ground and the damage would run about \$5 million. However, there was practically no damage done outside of the fair grounds. Property belonging to the State Fair is self-insured. There are a number of losses under inland marine policies on property of concessionaires including carnival type equipment, etc. This will not be a serious loss.

About 20 of the carnival rides were badly wrecked and the majority of the 20 shows were flattened. A large carnival semi-trailer was blown 60 feet and landed on a concession owner, killing him instantly. Over a score of persons were injured as the tornado completely demolished the Veterinary Building, in which was housed a collection of mounted tropical insects valued at \$200,000 and later flattened a horse barn in which were quartered many valuable pacers and trotters there to participate in the Grand Circuit Harness Races. Every permanent building on the Fair Grounds was damaged and 138 of the 150 tents on the grounds were ripped and torn. The storm headed toward the residential district of Sedalia and flattened several buildings, blew down hundreds of trees, light wires and TV antennae. A general approximate breakdown of the losses sustained is as follows:

Damage to state fair buildings \$250,000; exhibits \$150,000; carnival rides, concessions and shows \$150,000; city property \$150,000.

## Cox to Berkshire Mutual

John D. Cox, Jr., has been appointed vice-president in charge of underwriting and production of Berkshire Mutual Fire of Pittsfield, Mass. He is disposing of his interest in the Cox Mutual agency at New York City. He is mayor of Pleasantville, N. Y. He started with a general agency at Brooklyn and then went with Retail Credit Co. From 1937 to 1946 he was with Central Mutual at New York.

John B. Mend & Co. agency of New Orleans has moved to larger quarters in the Carondelet building.

## HIGHER PRICE LEVELS REQUIRE MORE FIRE INSURANCE COVERAGE

Are Your Assureds Adequately Protected?

CONSULT US ON

# APPRaisALS

Impartial Valuations

of

Industrial and Commercial Property

Since 1910



THE LOYD-THOMAS CO.

4411 RAVENSWOOD AVE., CHICAGO 40, ILL.

## FOR BROKERS ONLY

### Excess B.I. & P.D. Limits Over Primary

Special rating on high limits can save your assureds lots of premium.

Write your primary with lower limits and let us arrange your higher limits for trucking risks.

We have a market for direct Material Damage Insurance Trucking Risks, also Excess Cargo.

Write or call.

LLOYD'S LONDON.

## L. E. HARRIS AGENCY

EST. 1922

1511 K STREET, N. W. • WASHINGTON 5, D. C. • EXECUTIVE 1166



Their job is to PROTECT!

GUARDIANS OF THE AIR WAVES — "Orchids" to the Men and Women who man the air wave communication posts — who guide planes and ships to their destination and speed rescue to those in distress—and to those who through Radar protect our land against attack.

The Northern Assurance has provided reliable Insurance Protection for over 114 years.

THE NORTHERN ASSURANCE CO. LTD.

FIRE AND ALLIED LINES, AUTOMOBILE INLAND MARINE REPORTING FORM FLOATER CONTRACTS NEW YORK • CHICAGO • SAN FRANCISCO



"WOR  
Pac  
Pan  
N.A

To 1  
activities  
Assn.  
uled a  
annual  
23. D  
provided a  
Leader  
which  
be a  
Bond  
which  
Surety  
will b  
mack,  
fidelity  
David  
the St  
An  
is to  
Charle  
cation  
Whelo  
Dene

A p  
Police  
Mauri  
prope  
as mo  
White  
The p  
Cheel  
Mays  
C. M  
suran  
Perle  
Serv  
mer  
tional  
ers,  
mana  
Assn.  
En  
start  
Fore  
at th  
eveni  
dance  
Field  
In  
whic  
Clev  
gran  
rang  
and

La  
start  
Shah  
at th  
and

Ja  
was  
Mis

I  
W  
L.  
H  
W  
W  
he  
le  
ca

F  
33

**"WORKSHOP SESSION"****Package Policy  
Panel Slated for  
N.A.I.A. Convention**

To highlight some of the important activities of its committees, National Assn. of Insurance Agents has scheduled a "Workshop Session" for the annual convention at Cleveland, Sept. 23. Details on entertainment to be provided during the meeting have also been announced.

Leading off the workshop program, which will be at the Carter Hotel, will be a discussion of an "Abbreviated Bond Manual," a proposed booklet which was prepared in cooperation with Surety Assn. of America, and which will be explained by J. Kenneth Cormack, Providence, chairman of the fidelity and surety committee, and by David Porter, educational director of the Surety Association.

An "Educational Division Review" is to be given by Ernest F. Young, Charlotte, N. C., chairman of the educational committee, and James O. Whelchel, Tulsa, and L. Allen Beck, Denver, members of the committee.

A panel on "Multi-Peril and Package Policies" has been scheduled with Maurice J. Hartson, Jr., New Orleans, property insurance committee chairman, as moderator, assisted by Morton V. V. White, Allentown, Pa., vice-chairman. The panel will consist of Commissioner Cheek of North Carolina; Milton W. Mays, Insurance Executives Assn.; Roy C. McCullough, manager Multiple Insurance Rating Organization; Harry F. Perlet, manager National Insurance Service & Advisory Organization; Elmer A. Twain, assistant secretary National Bureau of Casualty Underwriters, and Harold L. Wayne, general manager, Inland Marine Underwriters Assn.

Entertainment at the convention will start off with the traditional America Fore cocktail party Tuesday evening at the Hotel Cleveland. Later the same evening Ohio Farmers will sponsor the dance, featuring the music of Shep Fields and his orchestra, in the grand ballroom of the Hotel Statler.

In conjunction with the banquet which is scheduled for Sept. 24, at the Cleveland Auditorium, an excellent program of entertainment has been arranged, through the joint sponsorship and courtesy of many companies.

Ladies will have many activities starting with a tour and tea at Stouffers Shaker Square Restaurant, a luncheon at the Lake Shore Hotel, a style show, and a brunch at the Alpine Village.

Jack F. Peace, adjuster for Travelers, was married at Madisonville, Tenn., to Miss Billie Ruth Browning.

**AVAILABLE  
I. M. MANAGER**

Well versed in all phases of I.M. and has a proven record. His experience covers underwriting — special agency work — branch office and home office. He has an excellent personality and is very capable.

**FERGASON PERSONNEL**  
330 S. Wells Street, Chicago 6, Illinois  
HArrison 7-9040

**"Ag" Makes Strong  
Midyear Showing**

Agricultural has issued its mid-year statement showing assets of \$28,429,646, premium reserve \$13,090,537, capital \$3 million and net surplus \$8,396,643 which is an increase of \$390,811 from Dec. 31. Net premiums written were \$6,929,820, premiums earned \$6,327,355, losses incurred \$2,913,487, loss expense incurred \$157,156, underwriting expenses \$2,913,058 and gain from underwriting \$343,652.

Empire State had assets \$7,136,262, premium reserve \$3,272,639, capital \$1 million and net surplus \$1,947,198 which is an increase of \$110,903. Net premiums earned were \$1,581,838 and gain from underwriting \$85,913.

**Phil Bevan Makes Change**

Phil Bevan, who resigned as marine special agent at Kansas City for Aetna Fire, has become an associate member of the Davis-Groff agency in the Brookside Theater building at Kansas City. This agency was started early in 1951 with Herb Davis and Frank Groff as the

active producing members. This is located in the country club district of Kansas City. Mr. Davis and Mr. Groff were both formerly with Allstate.

Mr. Bevan was with Rolscreen Co. of Pella, Ia., until he went into military service in 1941. He left the army with the rank of major and went with the Rathbun insurance agency at Clinton, Ia. Then he went with Aetna Fire, serving for a while at Chicago and then going into Iowa as marine special agent. He subsequently was placed in charge of the marine service department at Kansas City handling Iowa, western Missouri and Kansas.



**"Here! the bosses say you're the best 'clean-up' man they ever saw . . ."**

All depends on how you look at it, Mabel!

Sure, Ag-Empire men polish off a lot of work. But after all, they—and the home office staff—never let dusty detail floor them. Take our policies for instance. They're one-operation, carbonized jobs that save 50% of a gal's time. And then there's the matter of speeding up loss settlements. Ag-Empire men issue loss drafts right from their own offices. It all boils down to an operation that "cleans up" work faster—and gives your client the service he appreciates. If you'd like to "clean up" the helpful Ag-Empire way—

*We're easy to write to*



## Fines N. Y. Excess Brokers, Hints Further Discipline

The New York insurance department has suggested to excess line brokers that they form an association to eliminate abuses in this field or face the possibility of more stringent State regulation and legislation.

The suggestion was contained in a decision rendered by Deputy Superintendent George H. Kline in which he fined an excess line broker for violating the insurance law and failing to investigate the financial stability and claim practices of certain unauthorized insurance companies writing New York risks.

In his decision, Mr. Kline referred to the warning issued by the department in January, 1951, calling excess lines brokers' attention to their responsibility to investigate the financial stability,

claim practices and the legal right of all unauthorized companies to issue policies prior to placing policies with them. In these cases, he stated, such warning failed to have the desired effect.

Declaring that these cases demonstrate incontrovertibly that the warning was not sufficient to meet the problem, he went on to suggest that the department strengthen its regulations and/or advocate more stringent legislation for the statutory control of excess line brokers.

Perhaps, he added, "excess line licenses of this department, through concerted action, would be able to make investigation which would prove too great a burden if undertaken individually. Serious consideration should be given to the possible methods of eliminating in the future the placing of policies on New York risks with unlicensed companies without authority to issue policies covering risks or with unlicensed companies of undetermined or inadequate financial strength."

Early this year Deputy Superintendent Walter F. Brooks in a speech before the Greater New York Brokers Assn.

revealed that certain excess line brokers had failed to heed the department's warning and indicated that it was planning to take a firmer stand on the problem. He stated that the department was going to impose penalties upon negligent licensees who placed business in unauthorized carriers having questionable financial standings.

Last year the 57 excess line brokers licensed by the department placed 4,515 risks with aggregate premiums of \$2,473,061 in 42 unauthorized carriers which are accepting business from these producers.

The department's decision was handed down in connection with the case of Henry R. Wackenbut, a sublicensee of James V. Gould Co., who was fined. He also fined the firm \$500 for representing companies not authorized to do business in the state. In three companion cases involving excess line brokers, Mr. Kline fined Joseph Liff \$250 and censured Arnold Chait and Zaun, Conroy, Inc., and its sublicensee, George F. Zaun, for violating the law.

## Maryland Promotes Four Men to Key Positions

Angus Gibson, manager of Maryland Casualty's Albany service bureau since 1946, has been appointed manager of the bonding department at Newark. He started in 1929 with a large general agency, where he specialized in bonding business. After army service, he joined Maryland in 1946. He succeeds Samuel M. Williams, Jr., recently appointed assistant manager at New York.

Lucien L. Lucas, returned from military service, has been appointed manager of the casualty department at Kansas City. With Maryland since 1937, Mr. Lucas held various underwriting positions at Kansas City and was appointed manager of the casualty department at Kansas City. He has been with Maryland since 1937 and manager of the bonding department at Harrisburg since 1950.

Frank J. Staph has been appointed manager of the Albany service bureau. He has been assistant manager there since 1946.

## Glasbrenner Glens Falls Asst. Secretary on Coast

Karl F. Glasbrenner, manager of the Los Angeles office, has been elected an assistant secretary of the Glens Falls companies. He will be transferred to the Pacific department at San Francisco under Vice-president R. H. Griffith.

Mr. Glasbrenner attended Johns Hopkins and St. Louis universities and in 1936 joined Glens Falls as special agent at Los Angeles. He was promoted to assistant manager there in 1946 and became manager in 1951.

## Brink's Loss at Washington

A Brink's Express truck parked at Washington, D. C., was robbed of \$65,000. The cover is in Commercial Union. The truck supposedly was locked and parked while the crew was at lunch. The F.B.I. is investigating to see if circumstances justify its entry into the case. Nearby workmen said they saw no one approach the truck while the crew was at lunch.

In 1950 gunmen held up Brink's at Boston and fled with \$1,219,000.

The money was all recovered with the arrest and confession of a former Brink's guard, who had retained an armored car key when he was discharged from that job.

## Go EAST...



*Fire and Allied Lines*  
**MILLERS NATIONAL**  
**Insurance Company**  
*Since 1865*

HOME OFFICE  
CHICAGO 6

*Since 1876*  
**ILLINOIS FIRE**  
**Insurance Company**  
*Fire and Allied Lines*

Eastern Department...  
PHILADELPHIA  
Pacific Coast Department...  
SAN FRANCISCO

1794  
**INSURANCE COMPANY**  
OF THE  
**STATE OF PENNSYLVANIA**  
308 WALNUT STREET, PHILADELPHIA 8, PA.

1952

**NATIONAL INSPECTION COMPANY**  
CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 49 years.  
Inspections and Underwriting Reports.

H. B. Chrissinger  
Manager  
P. A. Pederson, Chief Inspector

R. L. Thiele  
R. M. Hubbell  
Ass't Managers

**Service Beyond  
the Contract**

FIRE • MARINE • CASUALTY • AUTOMOBILE

**The NEW ZEALAND**  
Insurance Company Limited

United States Head Office  
Since 1875  
San Francisco

William M. Houston, U.S. Mgr.

## Go WEST...



...and you will find  
our printing **BEST!**

Want to know why?

We specialize in printing for insurance companies. Our completely new plants in Danville and Boston are designed and equipped to turn out forms quickly and economically.

If you want your policies to be individual, distinctive, as well as easy to issue, let us show you what can be done with color, format and creative design. (Snap-out if desired.)

Why not get in touch with us now?

**Recording and Statistical Corporation**

100 Sixth Avenue, New York 13, N. Y.

Plants at  
55 Old Colony Parkway 2815 N. Vermilion St.  
Boston 25, Mass. Danville, Ill.

## Bar Assn. Insurance Program Planned

The program for the law section of the American Bar Assn. meeting at San Francisco, Sept. 15-19, has been announced. Committee reports and administrative reports will occupy the first morning, and the luncheon speaker will be Bolitha J. Laws, judge of Washington, D. C. district court. Afternoon sessions on automobile, aviation and life insurance are planned with Sidney L. Weinstock, San Francisco, speaking on "Property in the Care, Custody or Control of Insured"; Wallace E. Sedgwick, San Francisco, on "Automobile Insurance Litigation Today"; Milton C. Barwick, Atlanta, on "Problems Encountered Upon Closing of Airports"; Suel O. Arnold, Milwaukee, on "Appeals in Cases Involving Excess Verdicts"; George W. Orr, New York City, on "Reports on Present Status of Rome and Warsaw Conventions"; Henry Duque, Los Angeles, on "Privileged Communications Between Patient and Physician," and Donald Q. Taylor, Louisville, on "War Clauses After Korea."

At the Tuesday morning general session H. Harold Leavey, Sacramento, will speak on "Retaliatory Laws." Others include Charles C. Howell, Jr., Jacksonville, Fla., on "The Impairment of the Surety's Right of Subrogation by Judicial Decision"; Arthur Park, San Francisco, on "Federal Tax Claims or Liens as They Affect the Surety on a Performance Bond at the Time of Default"; Wayne M. Armstrong, Indianapolis, on "The Depreciation Problem in Fire Insurance Adjusting"; and a W.C. discussion to be announced later.

Tuesday afternoon, delegates will hear C. Henry Austin, Chicago, on "Excess Contracts and Reinsurance Contracts"; a speaker on compulsory non-occupational disability benefits to be announced later; Granville E. Libby, San Francisco, on "Some Aspects of Protection and Indemnity Insurance," and James Andrews, New York City, on "Modern Trends and Developments in the Accident and Health Industry." Tuesday's sessions are to be concluded with a reception and a dinner.

Wednesday morning's program slates a panel on "Expert Testimony in Insurance Cases." Participants and their areas of discussion are Wayne Stichter, Toledo, "The Function of Expert Testimony"; Edward D. Bronson, San Francisco, "The Medical Expert"; Abraham Peterson, Chicago, "The Scientific Expert"; Louis E. Wyman, Manchester, N. H., "Cross-Examination of Experts," and Wayne Ely, St. Louis, "Abuses of Expert Testimony."

Committee reports, new business and election of officers will occupy the Wednesday afternoon session and conclude the section meeting.

## H. W. Williams to Rockford Post for American

American has named Harold W. Williams field supervisor in the western department office at Rockford, Ill. He has been with American 20 years and most recently served as state agent for Illinois, with headquarters at Decatur.

## Beahrs S.F. Marine Head

John V. Beahrs has been promoted to marine manager at San Francisco for Home. He is a graduate of University of California and has been with Home since 1946 in the marine department. He has been the assistant marine manager at San Francisco.

## N. H. Agents Program

The program is announced for the meeting of New Hampshire Assn. of Insurance Agents at Wentworth-by-the-Sea, Portsmouth, Sept. 10-11. On Sept. 10 in the morning there will be business meetings of the association and of New Hampshire Insurance Women's League.

That afternoon if for fun and that evening for the banquet. The next morning there will be a skit directed by Richards G. Vedeler of Springfield F. & M., and William W. Ellis, field supervisor of Aetna Casualty, will speak. There will be an agents' panel featuring Terry Roy, Janet Sheehan, John DeMerritt, Frank O'Gara, James MacIntosh and George Cady III.

## Aetna Field Appointments

Robert E. Mullen, Jr., has been named special agent in Virginia by Aetna Fire group. He was graduated from Loomis School at Windsor, Conn., and Trinity College. He has been intensively trained in various underwriting departments at the home office and is a graduate of Aetna's multiple line training school. He will be associated with Resident Manager E. B. Smoot at Richmond.

Special Agent Bernard J. Mitchell has been transferred from Ohio to Kansas City, succeeding Special Agent Philip H. Bevan, who resigned to enter the local agency business. Mr. Mitchell joined Aetna in 1947 and following several years underwriting training was appointed special agent in northern Ohio in 1950.

## First Six Months' Results Shown

	Assets June 30	Surplus to Policy- holders June 30	Net Premiums Written	
			Change in Surplus from Dec. 31	First Six Months 1952
American, N. J. ....	140,206,659	48,815,637	1,883,136	41,329,116
Bankers Indem. ....	14,047,978	7,640,069	630,620	468,057
Camden Fire ....	33,358,185	12,796,410	623,738	7,940,086
Commerce ....	16,121,080	8,377,548	565,900	3,373,375
Commercial, N. J. ....	44,036,405	9,203,306	—404,237	15,498,192
Concordia ....	9,762,875	2,705,020	114,074	2,963,930
Federal ....	63,822,317	32,723,799	815,549	12,254,360
Fireman's Fund ....	192,368,833	84,910,664	1,171,067	41,050,640
Firemen's Fund Indem. ....	66,720,968	13,960,174	—2,051,308	21,501,612
Firemen's, N. J. ....	112,463,361	47,013,018	—200,886	25,447,967
General F. & C. ....	12,835,800	2,890,009	—131,578	4,757,733
Glens Falls ....	71,939,701	27,606,030	130,960	18,552,561
Glens Falls Indem. ....	38,703,348	11,623,879	662,322	11,806,811
Girard ....	11,418,271	3,864,406	132,033	2,964,610
Home F. & M. ....	43,503,492	17,775,015	831,377	10,262,660
London Assur. ....	20,513,460	7,979,102	360,597	4,650,050
Manhattan F. & M. ....	6,420,051	2,597,831	117,118	1,423,685
Mfrs. & Merc. Indem. ....	7,836,216	1,886,713	—52,870	3,565,251
Merchants Fire ....	42,906,885	25,146,161	—435,882	6,647,971
Metropolitan Cas. ....	37,132,958	8,238,833	—148,398	13,313,511
Milwaukee ....	30,208,507	10,971,123	679,822	8,058,523
Natl. Ben Franklin ....	11,135,993	3,983,569	24,460	2,968,930
Natl. Surety ....	56,100,602	24,249,014	—156,398	13,422,638
Nor. Brit. & Mercantile ....	23,520,584	8,395,488	109,119	5,316,753
Pacific Indem. ....	43,062,264	11,347,172	—68,317	13,341,823
Pennsylvania Fire ....	28,069,072	11,811,457	103,288	5,629,602
Phoenix Assur. ....	11,000,298	3,436,191	—160,365	2,711,831
Public Serv. Mut. ....	8,456,108	1,282,593	—142,190	3,291,309
Shelby Mutual Cas. ....	14,581,204	2,778,595	75,503	7,334,217
Sun Ins. Office ....	15,409,878	5,782,940	195,035	2,687,375
U. S. Guarantee ....	45,057,209	23,936,358	317,744	7,669,894
Westchester ....	56,823,716	26,526,273	862,799	10,587,823
Western Natl. ....	16,359,676	5,397,755	304,768	3,099,314
			4,320,591	



... look at the label

**application:** Sure, this Kidde Carbon Dioxide extinguisher will serve against flammable liquid (Class B) fires—and electrical (Class C) fires, too! That's what the B-1, C-1 Underwriters' laboratories rating on the label means.

**maintenance:** The only maintenance required by Underwriters' Laboratories is that all carbon dioxide extinguishers be weighed annually to determine whether they should be recharged.

**suggestion:** For anything from a hand portable to a total-flooding system be sure to recommend Kidde, the world's largest manufacturer of carbon dioxide extinguishing equipment.

# Kidde

Walter Kidde & Company, Inc.,

844 Main Street, Belleville 9, N. J.

Walter Kidde & Company of Canada, Ltd., Montreal, P. Q.



The word "Kidde" and the Kidde seal are trade-marks of Walter Kidde & Company, Inc. and its associated companies.

**Limitation Rule Dead**

Edgar O. Stoffels, president of Chicago Board, announces that at the semi-annual meeting and by vote through the record, the members have voted to suspend the agency limitation rule and the rule shall not be reinstated as binding upon the membership without an affir-

mative vote to be taken in the manner now prescribed for amending the constitution and by-laws. Such reinstatement, if any, shall allow an adjustment period of not less than one year from date of the adoption of the reinstatement resolution. By this action members may represent a fire company without regard to the number of agents it has.

**I.A.S.A. Directors to Meet**

The fall meeting of the directors and committees of Insurance Accounting & Statistical Assn. will be held at the Palmer House, Chicago, Sept. 12-13.

**Insurance Women of San Antonio** have voted to rejoin the National Association. A school on parliamentary law will begin Sept. 8.

## A DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS

**COLORADO****KEMPFNER CLAIMS SERVICE**  
— ROCKY MOUNTAIN STATES —  
**INSURANCE ADJUSTERS**  
— ALL LINES —

1068 Gas & Electric Bldg., Denver, Colorado  
Telephone Tabor 5736

**DIST. of COLUMBIA****DICKSON ADJUSTING CO., Inc.**  
1627 K St., N.W.  
Republic 6389  
Washington, D.C.

BRANCHES  
Annapolis, Md. Phone 2640  
Baltimore, Md. Phone Plaza 6040  
Pocomoke City, Md. Phone 671

**FLORIDA****LEHNHARD-BURGESS**  
CORPORATION  
MIAMI

Adjusters for all lines  
Phone 9-4708 2828 Biscayne Blvd.

**MIAMI**  
**RAYMOND N. POSTON, INC.**  
Adjusters all lines  
100 S.W. 8th Street Telephone 9-6449  
Ft. Lauderdale—124 S.E. 2nd Street  
Palm Beach—518 Lake Ave., Lake Worth  
Key West—Refer to Miami Office**ILLINOIS****E. S. GARD & CO.**  
Chicago Land Claims—Since 1928  
175 W. Jackson Blvd. WAbash 2-8880-1**THOMAS T. NORTH, INC.**  
Adjusters All Lines  
175 W. Jackson Blvd., Chicago 4**W. J. ROTHFUSS**  
Adjusters All Lines  
124 S. Main St. Decatur, Ill.**J. L. FOSTER & R. K. FOSTER**  
Insurance Adjusters  
903 First National Bank Building  
Springfield, Illinois**Fire** **Inland Marine** **Casualty****INDIANA****INSURANCE CLAIM SERVICE**  
Chanticleer Building, 24 North 6th Street  
**Terre Haute, Indiana**

Phone Crawford 2268  
22 years experience operating in eastern  
Illinois and western Indiana.  
Legal personnel, all types of claims and losses.

**IOWA****H. E. LICHT**  
**ADJUSTMENT SERVICE**

432-433 Higley Building  
Cedar Rapids, Iowa  
Office Phone 4-2429

**Fire** — Extended Coverage —  
Automobile — Inland Marine —  
Casualty — Aviation

**MIDWEST MOTOR AGENCY**  
Automobile physical damage  
and P.D. claims.

Handled by experts in material  
damage claims. Our adjusters formerly  
associated with National Finance  
Company Insurance affiliates

Servicing the Tri-State Area  
Southern Wisconsin  
Western Illinois — Iowa  
James R. "Jim" Green, Manager  
1157 Central Avenue  
Dubuque, Iowa  
Phone 3-3531

**MARYLAND****DICKSON ADJUSTING CO.**  
ANNAPOLIS BRANCH

42 State Circle  
Phone 2649

BALTIMORE BRANCH  
225 E. Redwood St.  
Phone Plaza 6940  
(Night—Saratoga 1075)

POCOMOKE CITY  
BRANCH  
1400 S. Market St.  
Phone 671

HOME OFFICE  
Washington, D.C.  
Phone REPUBLIC 6389

**MICHIGAN**

Robert M. Hill, Pres. E. B. Systrom, Vice-Pres.

**The Robert M. Hill**  
**Co., Inc.**  
INSURANCE ADJUSTERS  
1386 Penobscot Bldg., Detroit 28, Michigan  
Woodward 5-0050**MICHIGAN ADJUSTMENT BUREAU, INC.**  
208 N. Capitol Ave., Lansing 7

Phone 21687-8

Branches  
Detroit Saginaw Kalamazoo  
Battle Creek Grand Rapids Flint  
Benton Harbor Traverse City

**MICHIGAN CLAIM SERVICE, INC.**  
Fire — Casualty — Inland Marine  
Workmen's Compensation  
564 Hollister Bldg., Lansing  
Day Phone 5-9449 — Night Phone 5-2645  
Federal Square Bldg., Grand Rapids  
18131 James Couzens Highway, Detroit  
212 W. S. Dewing Bldg., Kalamazoo**NEVADA****R. L. GRESHAM & CO.**  
General Insurance Adjusters

Phone 4733-6164  
410 E. Carson Avenue  
LAS VEGAS, NEVADA  
Servicing Southern Nevada—South-  
western Utah—Elko, Arches  
and Needles, California.

**NEW YORK****TOPPLIS & HARDING,**  
**WAGNER & GLIDDEN, INC.**

Insurance Adjustments  
All Lines  
Chicago Boston New York  
Los Angeles Detroit

**OHIO****O. R. BALL, INC.**

Fire — Inland Marine —  
Allied Lines  
1542 Hanna Building  
Cleveland 15, Ohio  
Phone: Superior 1-7859

**LOVELL & COMPANY**  
Automobile — Casualty  
Inland Marine — Aviation

734 Williamson Building  
Cleveland 14, Ohio  
Phone Main 5821

**THOMAS D. GEMERCHAK**

Insurance Adjustments  
All Lines

416 Citizens Bldg., Cleveland 14, Ohio  
Phones Off. Su. 1-2668—Res. Fa. 1-9443

**OKLAHOMA****C. R. WACKENHUTH AND SON**  
ADJUSTERS FOR THE COMPANIES  
ALL LINES

547 Orpheum Building, Tulsa, Oklahoma  
Phones 2-5489 4-3556

**Woodard Claims Service**

Adjusters — All Lines  
Home Office: Oklahoma City  
1620 N. Broadway — Tel. 3-0427

Branch Offices:  
Ardmore — Clinton — Lawton  
Muskogee — Tulsa

**VIRGINIA****DICKSON ADJUSTING CO., Inc.**

Farmers & Merchants  
National Bank Bldg.  
Winchester, Va.

Day Phone—Winchester 4119  
Night — Winchester 7791  
HOME OFFICE  
Washington, D. C. Republic 6336

**FIELD**  
**Gundersen Joins Northern**  
**Assurance in Ind. Field**

Northern Assurance has appointed Arthur L. Gundersen special agent for Indiana with headquarters at Indianapolis.

He has been in insurance work more than 25 years. Starting at Chicago with Springfield Fire & Marine, he went with London & Lancashire in 1926 as an underwriter in the western department. In 1936 he joined National Inspection Co. and for seven years was in charge of its St. Louis office. For the past three years he has handled Indiana for Kansas City Fire & Marine.

**To Inspect Chattanooga**

Tennessee Fire Prevention Assn. plans to inspect Chattanooga during Fire Prevention Week, Oct. 5-11. It is the largest inspection ever undertaken by the organization and will require at least 85 men. Kingsport also will be inspected, probably in October.

**M. M. Parker to Retire**

Marshall M. Parker, state agent of Fireman's Fund for Wyoming and northern Colorado, will retire Sept. 1. He started as a local agent for that company at Alamogordo, N.M., in 1912 and in 1920 was appointed special agent at Denver. Until 1923 he was in charge of its automobile department covering Montana, Wyoming, Colorado and New Mexico. Since 1923 he has been state agent.

**To Inspect Middletown, O.**

Fire Prevention Assn. of Ohio will inspect Middletown Sept. 18. A. M. O'Connell, Cincinnati, president of Ohio Assn. of Insurance Agents and Cincinnati Fire Underwriters Assn., will be luncheon speaker. Cooperating in the inspection are the Junior Chamber of Commerce, Industrial Council, civic clubs, and other groups.

**STOCKS**

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago

Aug. 26, 1952

	Div.	Bid	Asked
Aetna Casualty	3.00*	96 1/2	98 1/2
Aetna Fire	2.25*	59	60 1/2
Aetna Life	2.50*	97	99
American Alliance	1.50*	34 1/2	36
American Equitable	1.50	28	29 1/2
American Auto	2.00	46	48
American (N. J.)	1.00	27 1/2	28 1/2
American Surety	3.00	53	55
Boston	2.60*	69	Bid
Camden Fire	1.00	22 1/2	23 1/2
Continental Casualty	2.50*	83 1/2	85
Crup & Forster Com.	2.00*	41 1/2	43
Fire Association	2.60	62 1/2	64
Fireman's Fund	1.60	56 1/2	58
Firemen's (N. J.)	.80	27 1/2	28 1/2
General Reinsurance	1.20	35	36 1/2
Glens Falls	2.00	59 1/2	61
Globe & Republic	.80	16	17
Great American Fire	1.50*	37	38 1/2
Hartford Fire	3.00*	149	150
Hanover Fire	1.60	39	40 1/2
Home (N. Y.)	1.80	39	40
Ins. Co. of North Am.	2.50*	82	84
Maryland Casualty	1.00	23 1/2	24 1/2
Mass. Bonding	.21	22	
National Casualty	1.50*	28	Bid
National Fire	2.50*	69 1/2	71
National Union	1.80	42 1/2	43 1/2
New Amsterdam Cas.	1.50	38	39 1/2
New Hampshire	2.00	44	45 1/2
North River	1.20	29	30 1/2
Ohio Casualty	1.20	65	67
Phoenix, Conn.	3.00*	100	Bid
Prov. Wash.	1.50*	30 1/2	32
St. Paul F. & M.	.80	38	38 1/2
Security, Conn.	1.60	36 1/2	38
Springfield F. & M.	2.00	54	55 1/2
Standard Accident	1.60	37 1/2	39
Travelers	14.00*	665	670
U. S. F. & G.	2.00	56 1/2	58
U. S. Fire	1.40	44 1/2	46

\*Includes extras.

To keep advised on qualified attorneys and adjusters write for your free copies of **HINE'S INSURANCE ADJUSTERS INSURANCE COUNSEL** Service Since 1908 First National Bank Bldg., CHICAGO 3

August 28  
LOYOLA

Loyola  
downtown  
surance  
John M  
Mutual  
ational  
staff. In  
intermed  
last year  
a gramm  
style at  
surveys  
nature.  
and each  
evening  
the stu

Om  
Und  
ors o  
the C  
pande  
This  
in the  
adequ  
for t  
com  
omm  
was  
publi  
suror  
this  
mem

XUM

## CHICAGO

## LOYOLA INSURANCE COURSES

Northern Field  
is appointed agent for at Indianapolis.  
e work more Chicago with he went with 26 as an un-  
part. In spection Co.  
charge of its three years  
Kansas City

boga -  
tion Assn.  
oga during  
5-11. It is  
undertaken  
l require at  
also will be  
ber.

the agent of  
oming and  
Sept. 1. He  
that com-  
in 1912 and  
al agent at  
charge of  
ering Mon-  
and New  
been state

n. O.  
Ohio will  
8. A. M.  
ent of Ohio  
and Cincin-  
will be  
ing in the  
chamber of  
council, civic

Whipple &  
icago

Bid Asked  
96 1/2 98 1/2  
59 60 1/2  
77 99  
34 1/2 36  
28 29 1/2  
6 48  
7 1/2 28 1/2  
3 55  
9 Bid  
2 1/2 23 1/2  
3 1/2 85  
1 1/2 43  
2 1/2 64  
6 1/2 58  
7 1/2 28 1/2  
5 36 1/2  
9 1/2 61  
6 17  
7 38 1/2  
9 150  
9 40 1/2  
0 40  
2 84  
1 1/2 24 1/2  
2 22  
3 Bid  
1 1/2 71  
1/2 43 1/2  
39 1/2  
45 1/2  
30 1/2  
67  
Bid  
22  
1/2 36 1/2  
1/2 38  
1/2 55 1/2  
1/2 29  
1/2 670  
1/2 58  
1/2 46

STERS  
INSSEL  
908  
AGO 3

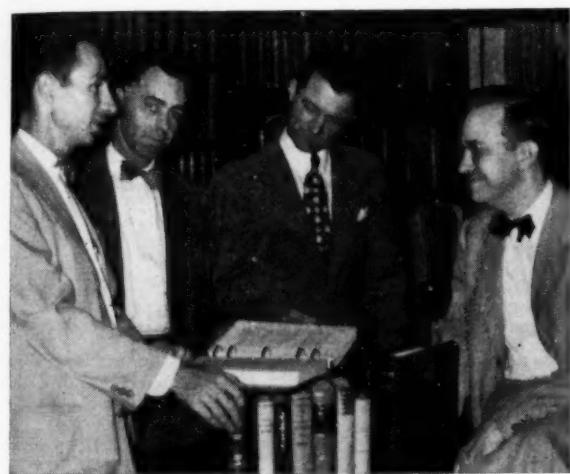
that are engaged in the insurance business. There are no prerequisites but for those that do have the necessary prerequisites Loyola University will grant three hours college credit for any one of the courses.

## I.D.E.A. PICNIC SEPT. 6

Insurance Distaff Executives Assn. of Chicago will open its fall program Sept. 6 with a business meeting and picnic at Schiller Woods. Guests will be prospective members. Representatives of other N.A.I.W. groups in region 5 will also be present. Mrs. Lucille Blakesley, Factory Insurance Assn., is I.D.E.A. president.

Carley Martin, legislative representative of Oregon Assn. of Insurance Agents the past two years, has been retained for another two-year term. He is a well-known Portland attorney.

## Omaha Agents Form Public Library Link



Shown here with the first order of books purchased under the Insurers of Omaha library plan are Philip Farish, head of the industrial division and Arthur Parsons, director of Omaha Public Library; Kenneth Schenck, president of Insurers of Omaha, and Richard Stork, chairman of Insurers library committee.

Under a program designed by Insurers of Omaha, the insurance section of the Omaha public library is being expanded in an important way.

This program originated when leaders in the association became aware that adequate reference material was lacking for those taking insurance courses. A committee was appointed and their recommendation which has been acted upon was to provide money to expand the public library's insurance section. Insurers of Omaha contributed \$500 for this purpose and a committee of three members from the Insurers and one from the library staff selects the books to be purchased from this fund. At the same time the library is purchasing its usual number of insurance books from its regular budget and is correlating its purchases with those from the Insurers fund.

Richard Stork, chairman of the library committee of the Insurers, cites as advantages of this program that the library provides a rent-free central location with expert personnel to go with it, access to related material and a good atmosphere for studying. The agents provide the money for insurance books the library doesn't have. Both parties benefit from the project.

## Travelers Men Advanced

Russell D. Leinbach has been appointed secretary of Travelers branch office administration department. He joined Travelers in 1925 and in 1936 went to the home office as branch office supervisor. In 1946 he was named superintendent of the casualty accounting department.

Curtis R. Brabec succeeds him as superintendent of the casualty accounting division. He joined Travelers in 1931 and went to Hartford in 1947 as

assistant superintendent of casualty accounting.

Carl E. Smith, retired state agent of Royal Exchange at Topeka and a past M.L.G. of Kansas Blue Goose, and Mrs. Smith have moved their home to Omaha.

The Women's Auxiliary of the Heart of America Blue Goose at Kansas City will launch the fall season with an 11 o'clock coffee at the home of Mrs. William Hershe, Sept. 10. It will be a farewell for the Hershes as Mr. Hershe, St. Paul state agent, is being transferred to Indianapolis as Indiana state agent.

## AN AGENCY IS JUDGED BY THE COMPANY IT KEEPS



The reasons are plain why so many policyholders say "... renew it in Northwestern." They like the dependable protection, substantial dividends and prompt claim service this progressive agency company provides . . . important clues that lead to putting more good business on your books when you represent Northwestern. Just contact our nearest office.

NORTHWESTERN  
MUTUAL FIRE ASSOCIATION

\* HOME OFFICE \* SEATTLE \* WASHINGTON \*  
Chicago Raleigh Dallas Salt Lake City Los Angeles San Francisco New York Portland Vancouver, Canada

UNUSUAL PROBLEM? USUAL ANSWER  
KURT HITKE & COMPANY, INC.

General INSURANCE Agents

175 W. Jackson Boulevard  
CHICAGO 4, ILL.  
TELEPHONE WAshington 2-3622

1335 Biscayne Blvd.  
MIAMI 32, FLA.  
Phone 82-8228

900 Peachtree Street, N.E.  
ATLANTA, GEORGIA  
Phone Elgin 4481

Reisch Building  
SPRINGFIELD, ILL.  
Phone Springfield 8-4305

1671 Wilshire Boulevard  
LOS ANGELES 17, CALIF.  
Phone Dunkirk 8-3161

1926

our 26th year

1952

## EDITORIAL COMMENT

### Omaha Move Bears Watching

The example of the Insurors of Omaha in their undertaking to cooperate with the public library in providing insurance educational reference material and a good place to make use of it warrants at least investigation and consideration of the insurance community in other cities that may have aims similar to those of the Omaha group.

In the concentration on an expansion of insurance educational work in Omaha it was discovered that there was a dearth of insurance reference material. The committee that was named in the premises conceived the solution that has been adopted and that is for Insurors of Omaha to contribute \$500 to the purchase of insurance educational material. The selection of books is undertaken jointly by the library and representatives of the agents association. The library provides the space for filing and other library service.

The public libraries are remarkably well equipped to perform such a service

as this. They are able to make highly expeditious use of any extra funds that come their way over and beyond their usual sources of income. They possess the wanted skills and accommodations. Getting insurance people into intimate contact with the library is worth while in itself entirely aside from the facilities for vocational improvement. It is good for the library to be put to such a serious and systematic use and there might even be some by-products in the way of public relations advantages in having insurance literature available to the public, including students that do essays and special projects, etc.

In the larger cities, of course, where there are specialized and separate insurance libraries, the public library is not a logical center for what might be called an insurance alcove, but for the cities the size of Omaha and smaller, Insurors of Omaha have originated something that holds the utmost interest for those in the business.

saying, "judiciousness and caution were my watchwords."

**George R. Kendall**, chairman of the executive committee of Washington National, who is on a European visit with Mrs. Kendall, and Mrs. Claude Kendall, is expected to return early in September. They were on a North Cape cruise for about a month and then got a car and motored extensively throughout the continent. Mrs. Claude Kendall is the widow of the younger brother of G. R. Kendall, who was treasurer of Washington National at the time of his death.

**Alex Case**, fourth generation member of the Case & Son agency at Marion, Kan., before his enlistment in the navy air cadet corps, was commissioned an ensign Aug. 15 and on Aug. 21 was married to Miss Jean Hagans of Manhattan, Kan. He is one of two sons of Alex H. Case, present head of the agency, a past president of Kansas Assn. of Insurance Agents.

**H. O. Fishback, Jr.**, vice-president of Northern Life of Seattle, is in St. Elizabeth hospital at Yakima in a critical condition as the result of a fall from a third story window suffered while he was attending the annual meeting of Washington Assn. of Insurance Agents.

**Henry J. Lussem, Sr.**, Iowa state agent of Sun, is marking his 35th year with that company Aug. 30. Mr. Lussem started as an examiner at Chicago, becoming Iowa state agent in 1929. A son, Henry Lussem, Jr., is in the western department of Crum & Forster at Freeport, Ill.

A son born to **Delano Lawson** of R. B. Jones & Sons at Chicago and Mrs. Lawson has been named William Delano Lawson. The paternal grandparents are **E. D. Lawson**, vice-president and western manager of Fireman's Fund, and Mrs. Lawson. This is their first grandson. They have two granddaughters, who are the children of E. W. Lawson of the Moore, Case agency of Chicago, and Mrs. Lawson.

**Julius Bubolz**, founder and secretary of Home Mutual and Home Mutual Casualty, Appleton, Wis., celebrated his 90th birthday there. He organized the mutuals in 1900 and has continued directing their affairs, still handling a limited amount of work regularly at the home office.

**Alfred J. Bohlinger**, insurance superintendent of New York, and Mrs. Bohlinger have returned from their European wedding trip and are residing at 340 Park avenue, New York City.

## DEATHS

**WILLIAM H. KOOP**, chairman of the executive committee, president for nearly 20 years and in the service of Great American for 58 years, died Monday at Spring Lake, N. J., while on vacation. His age was 72.

Mr. Koop retired in 1947 as president and as chairman of Great American, but continued since then in the position of chairman of the executive committee. He started with the organization in 1894 as office boy. He advanced consistently. One of his earliest charges was the "exchange department." Then he became chief counterman in the New York City department and later its manager. In 1918 he became assistant secretary and in 1924, vice-president. He was elected a director in 1927 and became the president in 1928. He was the former president of National Board, of New York Board, New York Fire Insurance Exchange, American Foreign Insurance Assn., and Eastern Automobile Conference.

Mr. Koop became board chairman in 1944 when Alexander R. Phillips was elected president but on the death of Mr. Phillips the next year he reassumed the presidency.

**EDMUND H. STEVENS**, special agent for Hartford Fire in suburban New York, died at Bridgton, Me. His home was at White Plains, N. Y. He graduated at Cornell in 1913 and was past president of Syracuse Field Club. He had been with Hartford Fire 30 years.

**JOHN J. McINERNEY**, 66, a local agent at Cheyenne, Wyo., for more than 40 years; and a former mayor of that city, died there. He was hospitalized five weeks ago after a fall on steps of his home which resulted in a fractured leg and had been in ill health for some time.

**ANTHONY C. BENNETT**, general adjuster of General Adjustment Bureau, died at Morristown, N. J. He had been in insurance claim adjustment work for 35 years. From 1935 to 1938 he conducted his own adjusting business at New York City. He joined General Adjustment Bureau in 1938 as head of the inland marine division, eastern department. In 1947 he was appointed general adjuster of that division.

**BURT C. FINDLEY**, supervisor for the western division of Pacific Mutual Life's railroad A. & H. department, died following an operation. An outstanding producer of A. & H. business, he had been with the company since 1940.

**JOSEPH B. BEACH**, 54, secretary and head of the legal department of Hardware Mutuals of Stevens Point, died at Madison General Hospital. He had been in ill health since early this year and away from the office for three months.

He graduated from University of Chicago and before joining Hardware Mutual in 1930 as an attorney in the legal department, was in the legal department

**Howard J. Burridge**, President.  
**Louis H. Martin**, Vice-Pres. & Secretary.  
**John Z. Herschede**, Treasurer.  
420 E. Fourth St., Cincinnati 2, Ohio.



**KANSAS CITY 6, MO.**—605 Columbia Bank Bldg., Tel. Victor 9187. **William J. Gessing**, President Manager.

**DALLAS 1, TEXAS**—708 Employers Insurance Bldg., Tel. Prospect 1127. **Alfred E. Cadis**, Southwestern Manager.

**MINNEAPOLIS 2, MINN.**—558 Northwestern Bank Bldg., Tel. Main 5417. **Howard J. Meyer**, Resident Manager.

**DETROIT 26, MICH.**—1102 Lafayette Bldg., Tel. Woodward 3-2826. **A. J. Edwards**, Resident Manager.

**NEW YORK 38, N. Y.**—99 John Street, Room 1103. Tel. Beekman 3-3958. **Ralph E. Rickman**, Vice-Pres.; **J. T. Curtin**, Resident Manager.

**PITTSBURGH 22, PA.**—503 Columbia Bldg., Tel. Court 1-2494. **Jack Verde Stroup**, Resident Manager.

**SAN FRANCISCO 4, CAL.**—507 Flatiron Bldg., Tel. Exbrook 2-3054. **F. W. Bland**, Pacific Coast Manager.

## The NATIONAL UNDERWRITER

PUBLICATION OFFICE:  
175 W. Jackson Blvd., Chicago 4, Ill.  
CIRCULATION OFFICE:  
420 E. Fourth St., Cincinnati 2, Ohio

**ATLANTA 3, GA.**—432 Hurt Bldg., Tel. Walnut 9801. **Carl E. Weatherly, Jr.**, Southeastern Manager.

**BOSTON 11, MASS.**—210 Lincoln St., Tel. Liberty 2-1402. **Wm. A. Seanlon**, Vice-Pres.

**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2-2704. **O. E. Schwartz**, Chicago Mgr. **A. J. Wheeler**, Resident Manager.

**CINCINNATI 2, OHIO**—420 E. Fourth Street, Tel. Parkway 2140. **Chas. F. Woods**, Sales Director; **George C. Roeding**, Associate Manager; **George E. Wohlgemuth**, News Editor; **Arthur W. Riggs**, Statistician.

**DALLAS 1, TEXAS**—708 Employers Insurance Bldg., Tel. Prospect 1127. **Alfred E. Cadis**, Southwestern Manager.

**DES MOINES 12, IOWA**—3333 Grand Avenue, Tel. 7-4677. **R. J. Chapman**, Resident Manager.

**DETROIT 26, MICH.**—1102 Lafayette Bldg., Tel. Woodward 3-2826. **A. J. Edwards**, Resident Manager.

Editor: **Kenneth O. Force**.  
Associate Editors: **John C. Burridge**, **Charles C. Clarke** and **F. A. Post**.  
Assistant Editors: **Ellsworth A. Cordesman** and **Donald F. Johnson**.

Executive Editor: **Levering Cartwright**.  
Advertising Manager: **Raymond J. O'Brien**.  
Teletype CG-654

**KANSAS CITY 6, MO.**—605 Columbia Bank Bldg., Tel. Victor 9187. **William J. Gessing**, President Manager.

**DALLAS 1, TEXAS**—708 Employers Insurance Bldg., Tel. Prospect 1127. **Alfred E. Cadis**, Southwestern Manager.

**MINNEAPOLIS 2, MINN.**—558 Northwestern Bank Bldg., Tel. Main 5417. **Howard J. Meyer**, Resident Manager.

**DETROIT 26, MICH.**—1102 Lafayette Bldg., Tel. Woodward 3-2826. **A. J. Edwards**, Resident Manager.

**NEW YORK 38, N. Y.**—99 John Street, Room 1103. Tel. Beekman 3-3958. **Ralph E. Rickman**, Vice-Pres.; **J. T. Curtin**, Resident Manager.

**PITTSBURGH 22, PA.**—503 Columbia Bldg., Tel. Court 1-2494. **Jack Verde Stroup**, Resident Manager.

**SAN FRANCISCO 4, CAL.**—507 Flatiron Bldg., Tel. Exbrook 2-3054. **F. W. Bland**, Pacific Coast Manager.

of Armour & Co. and the trust department of Illinois Merchants Trust Co. of Chicago. He was elected assistant secretary in 1931 and secretary in 1936. He was a member of important committees of American Mutual Alliance, Mutual Insurance Rating Bureau and Mutual Insurance Advisory Assn. and had served on the insurance all-industry committee and as chairman of the executive committee of Wisconsin Mutual Insurance Alliance.

**RAMSEY W. DRAKE**, 54, founder and president of the R. W. Drake & Co. general agency of Oklahoma City, died of a heart attack while playing bridge with friends at the city golf and country club. Formerly a cotton buyer, he founded his agency in 1926.

**WILLIAM I. MURRAY**, 62, vice-president and director of Wm. H. McGee & Co., died at Westchester Square Hospital after a long illness. He joined McGee & Co. in 1924, became a director in 1930 and vice-president in 1931.

**WILLIAM B. CLARKSON**, 71, who retired a few years ago as casualty manager of the Newark office of Travelers, died at Orange, N. J. He had been 50 years with the company when he retired, most of it at Newark.

**FRANK MARTIN DAY, JR.**, who for nearly 30 years had been engaged in insurance engineering work on utility properties for Marsh & McLennan with headquarters at Chicago, died at Evans-ton, Ill., hospital at the age of 66. He had been ailing about two years and had been seriously ill about two months. He was born at Springfield, O., and in his earlier years was engaged in electrical construction work among other things. From 1919 to 1923 he was with Ohio Inspection Bureau at Columbus, and in the latter year joined M. & M. He was an expert in his field and was particularly well posted on Ohio utilities.

**HERBERT W. ANDERSON**, vice-president and important solicitor and contact man for Protection Mutual Fire of Chicago, died at the age of 55. He had started with that company as an office boy at the age of 15 and progressed through the ranks. He did not go to college, but pursued engineering studies on an informal basis during his working years.

**LAWRENCE MARIO GIANNINI**, president of Bank of America and chairman of Occidental Life of Los Angeles, who died at San Francisco at the age of 57, was a director of Pacific National Fire and also of Fireman's Fund.

**THOMAS M. LYNN**, who was for many years one of the most prominent local agents in Ohio and was a notable figure at most of the meetings of Ohio Assn. of Insurance Agents, died recently at Good Samaritan hospital, Zanesville, O., at the age of 80. He had been in the hospital about three weeks. In his earlier days he was traveling salesman for industrial firms and then he returned to his native Zanesville and started a local agency. The Thomas M.

Lynn agency is more than 50 years old. George J. Aitken, who was the vice-president, has been elected president of the agency since Mr. Lynn's death.

**TOWNSEND M. BUGGEY, JR.**, deputy manager of Employers Liability group, was stricken with a heart attack in his office at Boston last Friday and died a few hours later at Massachusetts General Hospital. He had just been made deputy U. S. manager last January, previously having been Philadelphia manager. Mrs. Buggey and their son had not yet moved to Boston. He was a native of Philadelphia and entered the insurance business in 1922 with General Accident. He went with Employers Liability in 1924 and had been Philadelphia manager since 1946.

**ALBERT D. SANDERSON**, who had been an insurance man 50 of his 101 years, died at Columbus, O. At one time he was with Union Casualty.

**NICHOLAS F. JONES**, 56, local agent of Hickory, N. C., died in a hospital there of a heart attack.

### Agents' Liability for Insurance Valuations to Be Minn. Panel Topic

Agents' liability for insurance valuations will be the topic of a panel discussion that will be a feature of the annual meeting of Minnesota Assn. of Insurance Agents at Duluth Sept. 11-12. It will be presented by the Minnesota C.P.C.U. chapter, with Joseph R. Brink, president of Brink - Linnell agency, as moderator.

Members of the panel will be R. A. Thompson, vice-president Wirt Wilson Co., on the "Agent's Viewpoint;" Robert J. Fitzgerald, district manager, Marshall & Stevens, appraisal engineers, Minneapolis, on the "Appraiser's Viewpoint," and Henry Stone, technical representative of North America, on the "Company or Fire Engineers' Viewpoint."

#### Sessions Start Sept. 11

The convention gets under way the morning of Sept. 11. Reports will be given by Karl V. Klein of W. A. Lang, Inc., St. Paul, president; L. D. Engberg, St. Paul, state national director, and George W. Blomgren, Minneapolis, executive secretary and treasurer. Standing committees will report and election of officers will close the morning session.

That afternoon Roy A. Duffus, James Johnston agency, Rochester, N. Y., will speak on "How to Be a Better Agent, and Ralph W. Carney, vice-president Coleman Company, Wichita, on "Selling to Defend America." There will be a special technicolor film presented by Oliver Iron Mining Co. on "The Iron Ore Country" in northern Minnesota.

Walter Schroeder, president Schroeder Hotels, and William C. Wolf, manager of Hotel Duluth, will be hosts at reception and social hour preceding the banquet at which Commissioner Nel-

son of Minnesota will install the new officers.

Two "early bird" breakfast meetings will start off the Friday program. One will be for rural and small town agents with Kenneth A. Young, Blue Earth, as chairman, and E. E. Schwilk, president Minnesota Fire Underwriters Assn., as moderator. Topics discussed will be "Computation of Farm Installment Premiums" by D. R. Wilhoit, farm state agent of America Fore, Minneapolis, and "Multiple Location Form 'A' for Small Risks," by E. C. Erland manager, service office of the Loyalty group, Minneapolis.

The other breakfast meeting will be for large lines agents with Conrad L. Stephenson, president of Duluth Underwriters Assn. as chairman. Mr. Duffus will lead a round table session on "Large Lines Agency Problems."

At a general meeting Friday morning W. E. King, secretary of St. Paul-Mercury Indemnity, will talk on "Problems Facing the Insurance Industry." Anchor Casualty and Queen City Fire will sponsor a luncheon Friday.

The executive committee of the state association will meet Wednesday afternoon and evening.

## Agent Gets His Man



Eugene N. Houck (left), prominent local agent of Lansing, as the newly elected state commander of American Legion, is shown here launching a membership drive by signing up an insurance company man. He is Henry Bornkamp, Michigan manager of Appleton & Cox. Looking on is State Adjutant Lisle Alexander.

## COMMERCIAL STANDARD

a Multiple Line "A" rated company with a MILLION DOLLAR CAPITAL and OVER A MILLION DOLLAR SURPLUS

Now in its Twenty-eighth year of PROGRESSIVE DEVELOPMENT  
Offers to selected agents in selected territory its facilities:

AUTOMOBILE (All Coverages)  
WORKMEN'S COMPENSATION  
PUBLIC LIABILITY  
BURGLARY  
PLATE GLASS  
BONDS

FIRE, TORNADO, INLAND MARINE

## COMMERCIAL STANDARD

Insurance Company

FORT WORTH, TEXAS

NO STANDARD HIGHER THAN COMMERCIAL STANDARD

## CONTACT US BY WIRE OR TELETYPE

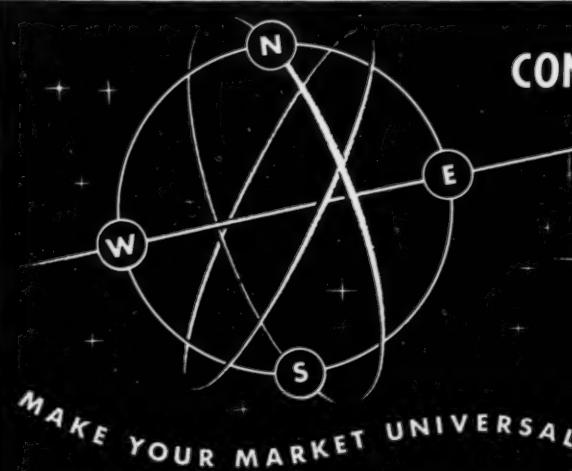
UNIVERSAL COVERAGE

Universal Underwriters  
CORPORATION

AMERICAN BUILDING • SEATTLE 4, WASHINGTON

REINSURANCE • SURPLUS LINES | FIRE AND CASUALTY CAPACITY

NO DIRECT BUSINESS



## NEWS OF THE COMPANIES

### 15% Premium Gain for Glens Falls

Premiums written by the Glens Falls group for the first six months of this year total \$33,733,747, which was an increase of \$4,445,735 or 15.17%. Earned premiums were \$30,278,174 as compared with \$26,366,202. Incurred losses were \$17,354,109 as contrasted with \$15,589,387 and expenses were \$13,573,971 as

against \$11,939,899. Investment income was higher by 5.4% and amounted to \$1,130,939.

Consolidated capital, surplus and voluntary reserve including Glens Falls Corp. amounted to \$32,726,955 which was an increase of about \$400,000 from Dec. 31. There was an increase in premium reserve of \$3,455,573.

National Union has declared a quarterly dividend of 45 cents per share payable Sept. 22.

## WANT ADS

**Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.**

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

### ADVERTISING-SALES PROMOTION MANAGER AGE 30 OR LESS

We are looking for a man who has natural sales and advertising ability who has had some experience in this work. Knowledge of sales promotion and advertising more important than knowledge of insurance. We are a large, well known Mutual Fire Insurance Company located in a middle western state, in a town of about 50,000 population. Please enclose photograph with your letter of application which must give complete information. All inquiries will be held confidential. Address M-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

Man or woman insurance salesman. 65,000 drawing population. If can list and sell Real Estate so much the better. World's finest climate. Never too hot nor too cold. Great for T. B., Asthma, Sinus, skin afflictions. Good proposition to one who can qualify. Old established firm.

Parkway Realty and Insurance Co.  
Parkway Bldg. — Box 728  
Silver City, New Mexico

### ADJUSTERS CLAIM EXAMINERS

Several good openings in western department office in Chicago for adjusters and claim examiners. In reply give experience and salary requirements. Address Mr. Claude Hatfield, Room 1113, 120 S. LaSalle St., Chicago 3, Ill.

### WANTED — GENERAL AGENCY FRANCHISE FOR SOUTHERN ILLINOIS

A long-established supervisory general agency is interested in additional outlets for fire and casualty business. Prefers all of Illinois outside of Cook County. If possible, but will accept franchise for southern half of state only. Address M-95, The National Underwriter, 175 West Jackson Boulevard, Chicago 4, Illinois.

### SPECIAL AGENT WANTED

LARGE INDEPENDENT MULTIPLE LINE COMPANY DESIRES SPECIAL AGENT FOR WISCONSIN. WILL WORK OUT OF FOND DU LAC. GIVE FULL DETAILS. ADDRESS N-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### STATE AGENT

Excellent opening for a state agent, large fire and marine company, Western Missouri and Kansas field. More interested in man with thorough knowledge of rates and forms and underwriting than a 'glad hand'. State qualifications, experience and salary expected. Address M-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED — SPECIAL AGENT

Established multiple line mutual company for southern Indiana, Western Kentucky. Prefer experienced special agent or man with local agency experience. Good salary and incentive bonus. Car furnished. Send picture, full details of your experience and present position. Address N-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AUTO OUTLET WANTED

Have \$10,000 month new business. Would like General Agency in Michigan. Prefer small company who would appreciate being with a producer. Address N-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### INSURANCE MEN WANT TO BUY:

Complete control of insurance company in Middle West or West. Stock, Mutual or Reciprocal. Replies confidential. Address N-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### Founders' Half Year Report

Founders of Los Angeles reports an operating gain of \$63,232 for the first half of this year, as compared with an operating loss of \$609,702 for the same period of 1951. Surplus increased to \$1,210,036.

Assets June 30 totaled \$7,606,364. Net premiums written totaled \$2,958,539. Premiums of \$3,076,801 were earned the first six months. Loss costs and underwriting expense exceeded that figure by \$65,155. This was offset, however, by investment earnings of \$128,387 to provide a net operating profit.

Fire, fidelity and surety and group A. & H. business were all profitable. Inland marine developed a small loss and casualty insurance continued to be unprofitable.

### Gilmore Now Secretary

Harry B. Gilmore, Jr., who recently joined New Hampshire Fire to assist in investment and financial matters, has been elected secretary and assistant

treasurer of the company and also of Granite State Fire.

### Cage Forms Ala. Insurer

Jack Cage & Co. of Texas, which already operates three companies that are owned by American Federation of Labor interests, has now organized a company at Birmingham, Ala., known as Continental Union. Jack Cage & Co. has a management contract with the Continental Union and the chairman and president is Ben Jack Cage; vice-president and secretary-treasurer, John G. Vaughn, and vice-presidents are Nile E. Ball and C. O. Blackburn and Stanley Prichard.

Jack Cage & Co. bought 20,000 shares of \$10 par value stock at \$25.50 a share giving the company capital of \$200,000 and net surplus of \$310,000. The company, it is stated, is going to be used to write personal coverage in Alabama.

The Texas companies for which Jack Cage & Co. has a management contract are Ins. Co. of Texas, Continental Fire & Casualty and Life Ins. Co. of Texas.

whom lost their licenses under the 1949 bill sponsored by the association, can sell insurance in reciprocals. The law doesn't even call them agents, but uses some other term, like representatives. The big rush of organizing reciprocals in Ohio is largely the result of this automobile dealers situation.

### Ray Miller to Speak

Casualty & Surety Field Club of Ohio will hold a luncheon meeting Sept. 15 at Columbus. Ray Miller, manager of the Ohio assigned risk plan, will speak.

### New San Antonio Claim Offices

W. H. Greathouse and J. J. Byrnes, formerly with A. B. Haston Claims Service as manager and associate manager respectively, have opened Greathouse & Byrnes Adjustment Co. at San Antonio. They will devote themselves principally to casualty work.

Don Caldwell and Carl Stenger have opened the Caldwell, Stenger & Co. adjustment service there. Mr. Caldwell formerly was claim manager of Loyalty group at San Antonio and recently has been claim manager there for Cravens, Dargan & Co. Mr. Stenger has been with R. R. Deen Adjustment Co.

Defense Department Insurance Director Thomas Kane and his wife are on a trip to Jamaica, West Indies, to visit a son. They are expected back Sept. 1.

Interboro Mutual Indemnity has been admitted to Ohio.

Mrs. Grace Pollard, wife of Thomas Pollard of Alliance Cooperative, is the new president of the Blue Goose auxiliary at Topeka.

Lynn M. Latta, formerly of the Norgard-Latta agency of Yakima, Wash., has established his own office there.

A new local agency has been established at Seattle by Gerald D. McAfee, formerly with the Washington agency there.

## Group Service in One Company

### Fire and Windstorm and all Allied Lines

### All forms Casualty Insurance

### Aviation Insurance

### Fidelity and Surety Bonds

### AMERICAN FIRE AND CASUALTY COMPANY

Nation-wide Claim Service

Home Office



A STOCK COMPANY

Orlando, Florida

Facilities are offered in the Insurance Exchange Building, Chicago, by one of the leading local agencies to high grade broker who controls a minimum of \$150,000 in premiums. Business must be high grade and diversified. He will receive full facilities of office, including excellent fire and casualty engineering. Replies will be held in absolute confidence. Address M-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AUTO OUTLET

Have \$10,000 month new business. Would like General Agency in Michigan. Prefer small company who would appreciate being with a producer. Address N-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### INSURANCE MEN WANT TO BUY:

Complete control of insurance company in Middle West or West. Stock, Mutual or Reciprocal. Replies confidential. Address N-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## Details on Demerit Plan in N. Y., Effect of Rates

### Business Accepts New Rating Scheme with Limited Enthusiasm

NEW YORK — After waiting for it with some apprehension and a number of doubts, the business is inclined to regard the new automobile demerit rating plan in New York with mixed emotions. The plan is basically a simple one, and some of the reaction in the business is that even though there may be bugs in it, it will work. It is apt to be followed in other states.

The administrative costs and difficulties of previous plans of this kind were large. The new program seems to be less objectionable on these scores than it was feared it would be.

#### Differences from Old Plan

The plan is substantially the same as was in effect in New York beginning Dec. 1, 1938 and running into 1941, about three years. There are two differences, the surcharges then were 10 and 15% and now are 10 and 20%, and at that time the plan provided for checking the loss record of insured in his previous company, when he shifted to a new insurer. The latter gimmick was, according to automobile men, one of the chief sources of administrative difficulty in the old plan.

Under the present plan, effective Nov. 1, when insured moves from one company to another, he fills in an application. He must sign the application personally and below his signature must appear that of the representative of the company — agent, broker or solicitor. If it is discovered that insured has not reported correctly his accident record or other pertinent information called for, the surcharge doubles to 20 and 40%.

#### Six Months' Elbow Room

The experience period is 18 months, but insurers will operate on a two-year basis to provide elbow room. Insured whose automobile policy has an anniversary date of Nov. 1 will be checked for his record for 18 months ended six months previously, or April 30. The application of the surcharges will be on a classification basis, A, B, and C. For example, classification A is on a record of no accident or one property damage only accident, no surcharge. On classification B for one bodily injury accident only or one bodily injury and one property damage liability accident or two property damage only accidents, private passenger class 1, 2 or 3 rates, whichever apply, are increased 10%. On classification C, the applicable rates are increased 20%.

If the automobile to be insured has been acquired from another member of insured's household, the accident record of the automobile while owned by any member of the household during the experience period shall be used to determine the rating classification. If an automobile is canceled from a policy, any automobile either added to the policy or separately insured within 30 days of such cancellation shall be treated as a replacement of the canceled automobile.

#### Accident Record

The accident record of named insured, while operating any automobile, shall be used in determining the classification rate applicable to the named non-owner policy for classes C2 and C3.

Private passenger automobiles insured under the more automobiles than

### Increases May Ease Market a Little; Press Reaction Friendly

NEW YORK — The reaction of the business to the rate increase authorized by the insurance department on automobile risks is fairly favorable. Perhaps the greatest disappointment was that the increases in the metropolitan area are not closer to those asked.

In general the rates are expected to create a more favorable market, perhaps even ease somewhat the restrictions in effect in the metropolitan area. However, insurers are apt to continue to look askance at young drivers, and at risks that have produced a bad record, or the producers on whose book of business there wouldn't be a Chinaman's chance to break even at even the higher projected rates.

#### Where Rates Won't Help

Some insurers are said to be faced with a capacity problem, and here the rates are not going to provide relief. For many brokers and agents, who have been in the red but not too far there, on their business, the new rates undoubtedly will save the market and make it easier to use. Many producers have been literally spending hours trying to get auto coverage for clients.

Allstate has filed new rates and had them approved. For the most part the company now is the same as National Bureau of Casualty Underwriters on young drivers. For class 3, business use, the former Allstate rates were 20% less and are now 30% less for 7,500 miles and over, and were 30%, now 37% less, under 7,500 miles. Class 1, working class, long distance (over 7,500 miles), Allstate was 6% under, is now 17%; and for short run (under 7,500 miles), was 13%, is now 25% less. Class 1, pleasure class, long, Allstate was 13%, is 25% under; short run, was 24%, is 33% less.

On the 15-22 year old class, rates are the same as the bureau. For the 23-24 year olds, long haul, Allstate was 13% less, is now even; short haul, was 24%, is now even with the bureau.

#### Some Youngsters Less

In the family class, 15-22 year olds, long, took 13% less, now take 25% less; short, was 24, is 32%. For 22-24 the long took 30, now take 32% lower rates; short, took 39, now 40% less.

General of Seattle has filed a 10% deviation, approved by the department. Government Employees and Farm Bureau Mutual have not filed, it is understood.

Editorial comment by newspapers on the rate hike and demerit plan dealt largely with the rate increases and were generally friendly. The New York Times said:

"Insurance companies have been losing money steadily and have passed premium rates . . . Clearly a rate that does not cover the cost of doing business is utterly against the public interest. A rate that does not pay its way forces insurance companies to be overly selective in risks covered; it makes it difficult for car owners in certain areas to get insurance, and the innocent are bound to suffer. The 'bad risks' such as younger drivers, who, from the public standpoint, most need to be covered, find it increasingly hard to get adequate insurance when companies are naturally trying to cut their losses."

The Times noted that in some upstate

(CONTINUED ON PAGE 21)

### Program Given for Bureau Meeting

The program has been completed for the annual meeting of Bureau of Accident & Health Underwriters, which this year will be at Grove Park Inn, Asheville, N. C. Sept. 29-Oct. 1.

The meeting will open with the address of Commissioner Cheek of North Carolina, whose topic will be "How Shall A. & H. Insurance Be Regulated?" Neil J. Brown, Hartford Accident, chairman of the governing committee, will give his address, and A. L. Kirkpatrick, insurance department manager of U. S. Chamber of Commerce, will talk on "The Federal Government and Health Insurance." Ralph J. Walker, vice-president of Pacific Mutual Life, will discuss "The Challenge," and Raymond F. Killion, Metropolitan Life, will discuss "The Outlook for Accident & Sickness Insurance."

#### Group Insurance Forum

That afternoon there will be a group insurance forum conducted by J. Henry Smith, Equitable Society, with a panel consisting of J. C. Archibald, Bankers Life of Iowa; J. E. Hellgren, Lumbermen's Mutual Casualty; D. Cody, New York Life, and George E. Light, Travelers.

Opening speaker the second morning will be Paul H. Rogers, Aetna Life, on "The Advantages of a Level Commission Basis." P. J. Burns, New York Life, will talk on "The Advantages of an Unlevel Commission Basis." Experience under the blanket medical expense benefit of commercial accident policies, will be taken up by T. O. Schwarz, Standard Accident, and J. F. Follmann, Jr., managing director of the bureau, will give an analysis of commercial accident insurance. David H. Harris, Equitable Society, will lead a discussion on major medical expense insurance, the participants being Henry R. Roberts, Connecticut General Life; A. B. Hvale, Continental Casualty; J. Albert Burgoine, Liberty Mutual, and R. E. Ryan, Royal-Liverpool group.

#### Panel on Risk Selection

That afternoon will be the golf tournament under the direction of Franklin G. Brown, Travelers. In the evening is scheduled the chairman's reception followed by the banquet.

On the third morning there will be a panel on risk selection, conducted by Edward M. Urich, Pacific Mutual Life. The panel members will be Dr. Hector M. Stevenson, Aetna Life; Ray L. Hills, Great American Indemnity; F. L. Templeman, Maryland Casualty; L. B. Soper, New York Life; John F. Lydon, Ocean Accident, and E. A. Hauschild, Security Mutual Life of Binghamton. This will be followed by the business session which includes the election of new officers.

### Comparative Negligence Bill Before Cal. Bar Assn.

A committee of California Bar Assn. has drawn up a proposed bill which has been presented to its annual convention amending the provisions of the "law of negligence" to provide for comparative negligence. The group behind this proposal are those commonly known as "plaintiff's attorneys," who have been conducting campaigns throughout the state and nation for "more adequate" awards and who have been credited with the high judgments which have been a major factor in the increased cost of automobile liability insurance. It is understood that the group of plaintiff's attorneys will have their measure introduced at the next legislative session but prefer to have it carry the endorsement of the state bar association.

### New Form of Policy for "Immunity" Risks Suggested by Lawyer

#### Federation of Insurance Counsel Speaker Probes Contradictory Situations

A new form of liability insurance policy frankly directed to situations where there is involved immunity in the insured to tort liability to third persons may turn out to be the real solution to the anomalous situation that now exists, according to Edward F. Streit, attorney of Aurora, Ill., who addressed the convention this week of Federation of Insurance Counsel. Legislation might still be required to authorize premium payments by governmental subdivisions and agencies, but that question, the speaker said, would not be involved in the situation where the injury had already occurred and the premium payment was an accomplished fact.

Whatever form legal pronouncements may take, the practice of spreading the loss by the use of insurance will ultimately reach immunity cases as the prevailing rule, he predicted.

#### Cites Main Obstacle

Although various factual situations are involved in the immunity -insurance problem, there is one fundamental underlying concept which is common to all, he said. This is the attempt to insure in advance against a liability which did not exist — a manifestation of the deep-seated desire of modern society to make use of insurance and by incurring a known expense in the form of a premium, to spread the loss of unknown but possible future individual disaster. The main obstacle arises out of the condition of the policy that no action shall be maintained against the insurer on the policy until after the liability of the insured has been established — a provision which is inconsistent and contradictory in a situation where there is no liability on the insured at all.

Confronted with the fact that the purpose was not accomplished, notwithstanding the premium was paid, the courts have adopted various approaches. The majority of the courts, following orthodox rules of tort liability in giving legal effect to the positive language of the policy have denied liability and thus prevented a recovery from the common insurance fund. But a minority of the courts have found the means to permit what was intended, he said.

Sometimes the line of decision was to remove the immunity entirely and permit a right of action in all cases regardless of insurance. At other times the presence or absence of insurance was considered the determining factor and an action was permitted to the extent that the insurance removed the reason for the immunity rule. At still other times the "no action" clause of the insurance policy was disregarded and a direct action against the insurer was permitted using the existence and extent of the liability of the insured, absent the immunity, as the measure of the liability of the insurer.

None of the results, he said, is entirely satisfactory. The courts ought not to say as the majority rule requires, that insurance may not be resorted to for the purpose of spreading the risk in this

(CONTINUED ON PAGE 24)

# UNITED STATES CASUALTY COMPANY

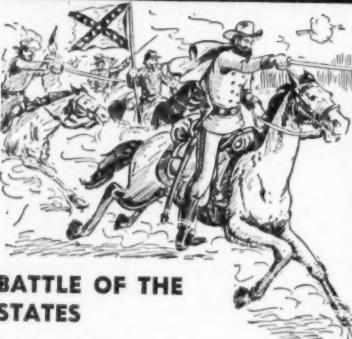


## HOME OFFICE:

60 John Street

New York

### HIGH SPOTS IN HISTORY



#### BATTLE OF THE STATES

During the Civil War many battles were fought in Tennessee. One of the state's most famous military leaders was General Forrest, a colorful officer of the cavalry.

### 44: TENNESSEE



#### TENNESSEE IS FOUNDED

Back in 1784 the State of North Carolina offered the territory that is now Tennessee to the United States. They did not ask permission of the settlers and were resisted by these people.

### ALSO A HIGH SPOT . . .

... is when an agent joins Hawkeye-Security & Industrial. These companies are proud of the prompt and equitable settlement of claims . . . the fact that there is no red tape in dealing with agents . . . that every sales aid is given the agent . . . and a sincere group of field representatives are always at the agent's service. No wonder the trend is to Hawkeye-Security & Industrial.

**HAWKEYE-SECURITY INSURANCE CO.  
INDUSTRIAL INSURANCE CO.**  
Des Moines, Iowa



## Quits Dividends on Class 2 Auto, Reduces Others

Lumbermen's Mutual Casualty recently revised its dividend schedule in certain sections of the east to reflect the generally deteriorated experience on third party lines. The dividend on class 2 auto casualty risks which the company indicates are producing a plus 100% loss and expense ratio country wide, is eliminated entirely for the territories affected.

General liability and workmen's compensation, especially in New York state, have notably worsened and dividends are reduced or eliminated entirely. In view of reopening of pension cases and liberal awards in W.C., little hope is held for improvement in that line.

### Action on W. C.

In New York state, beginning Aug. 1, the W. C. dividend on risks producing premiums of less than \$500, is 5%; on risks with premiums of \$500 and more, 10%.

In automobile, beginning Sept. 1, risks garaged in Queens, Bronx, Brooklyn, Manhattan and Richmond, there is to be no dividend; on class 2 risks, anywhere in New York state, the same. Other auto BI and PDL risks get 5%. (The scale was announced before the release of the increased auto rates and demerit plan by the New York department.)

On physical damage cover, risks garaged in the five N. Y. City boroughs, the dividend is 10% if the \$50 deductible clause is attached to the comprehensive; without the \$50 deductible, no dividend.

### O. L. & T., Other Liability

On residence and farmers comprehensive personal liability the dividend in New York is 10% under \$500, 15% above that, on other O.L.&T. coverages, no dividend. Other liability coverages, if the premium is under \$500, get 5%; if \$500 or more, 10%. On manufacturers crime policy which includes burglary coverages, the dividend is 15%.

In New Jersey, auto B.I. and P.D.L. with accident and medical payment supplements call for a 5% dividend, but class 2 risks get none. Collision has a 10% dividend, except when written as part of full cover; full cover gets 20%. Dividends on other lines in New Jersey are as follows:

Boiler and machinery, on first \$3000 of premium, 10%, on part of premium over \$3000, 20%.

Fidelity bonds, excluding burglary on 3D Form, less than \$500 premium, 10%, \$500 or more, 15%; manufacturers crime policies, including burglary, 15%.

Burglary and robbery, including burglary in 3D but not burglary on manufacturers crime policies, 20%.

### General Liability in N. J.

General liability, including aircraft and products, residence and farmers CPL, with premium of less than \$500, 10%, and \$500 and more, 15%; other O.L.&T. covers, no dividend; all other liability coverages, 5% up to \$500, 10% for \$500 or more.

Plate glass, premiums under \$500, 10%, \$500 and up, 15%.

W. C., up to \$500, 5%, \$500 and up, 10%. This is effective Aug. 1, the others Sept. 1.

In Delaware, District of Columbia, Maryland, North Carolina, Pennsylvania, the only change is elimination of dividend on class 2.

### Name Two Maine Speakers

Two speakers have been announced for the annual meeting of Maine Assn. of Insurance Agents at Rockland, Sept. 10-11.

James R. McWilliams, assistant manager of the automobile division of National Bureau of Casualty Underwriters,

will talk on "Automobile Rate Making," and John Newlands, president of American Union and Central Union and general attorney of Scottish Union & National, will compare United States and Great Britain insurance methods.

## Important Role of Suretyship in U. S. Economy Stressed

A. F. Lafrentz, president of American Surety, speaking before the annual meeting of Wyoming Insurance Agents Assn. at Casper, stressed the important part that corporate suretyship plays in the American economy. He urged companies and agents to recognize the changing conditions in commerce and finance which are constantly making new demands on corporate suretyship.



A. F. Lafrentz

Mr. Lafrentz pointed out that suretyship is not insurance but a form of credit in which the surety furnishes credit to individuals who need the support of its guaranty. Consequently, surety bonds must be written individually and not as insurance on a group basis. To illustrate how corporate suretyship has kept pace with the changing requirements of the growing economy, he pointed to the constant broadening of fidelity coverages from the original individual basis to the modern blanket bond form.

He told the agents that in the commercial field fidelity bonds must be sold, but they are continuous and once sold they stay on the books and produce a steady income.

Pointing out the importance of the contract bond in the economy, Mr. Lafrentz mentioned the vast appropriation

**CASPER, WYO.**—Officers elected by Wyoming Assn. of Insurance Agents are: H. A. Realting, Thermopolis, president; R. W. Whitford, Torrington, 1st vice-president; E. J. Jackson, Laramie, 2nd vice-president; H. J. Clare, Jr., Casper, secretary-treasurer; Guy W. Engle, Casper, state national director.

Attendance at the convention was about 200. The name of the association was changed to "Wyoming Insurors, Inc." It will begin a monthly publication with R. G. Wildman, Casper, as editor.

tions for public buildings, schools, electrical development, dams, highways, flood control programs, harbor improvements, etc. Such public works would be virtually impossible without the assistance of corporate suretyship. The surety company by reason of its vast experience over many years in underwriting contract bonds is often able to guide its contractor clients so the they may avoid taking on the type of work with which they are unfamiliar and also from taking on too much work and becoming over-extended or spreading out their contracts too far afield in unfamiliar territories.

He also referred to the importance of fiduciary and probate bonds as well as the many varieties of miscellaneous surety bonds.

### Warning on Government Insurance

Continued extension and expansion of government insurance operations are a powerful threat to the uninterrupted conduct of private insurance, E. J. Seymour, Monroe, La., executive committee-man of National Assn. of Insurance Agents, warned Wyoming Assn. of Insurance Agents at its annual meeting this week at Casper. Mr. Seymour as

(CONTINUED ON PAGE 24)

U.  
Ha  
Lo

U.  
agen  
& Tr  
of th  
and re  
from  
the V  
he is  
held t  
in the

Mr.  
at the  
driver  
the b  
Kenil  
held u  
two r  
holdin  
job ju  
Mont  
these  
on R  
and i  
bull  
lot be  
scene  
chang  
car w  
after  
captai  
hospi  
lot to  
the C  
plates  
it is  
drove  
parkin  
leisure  
large  
any o  
by th  
the l

Min  
N. Y

Sin  
York  
vehi  
of in  
cases  
were  
insur  
driv  
comp  
The  
the n  
signe

Neb

In  
brask  
Sept.  
auton  
not a  
deny  
inten  
under  
suran  
offici  
tent  
insur  
Also,  
as th  
rates.

A  
Casu  
and s  
and

Mr.  
posed  
ments  
has,  
the p  
depa

Clas  
The  
sche  
with  
lems  
suran  
and a  
The

te Making,  
nt of Ameri-  
on and gen-  
on & Na-  
States and  
methods.

of  
J. S.  
ssed

of American  
annual meet-



Lafrentz

hat surely  
a form of  
furnishes  
d the sup-  
sequently,  
individual  
in a group  
porate sure-  
e changing  
economy,  
adening of  
original in-  
ern blanket

the com-  
must be  
and once  
and produce

ce of the  
, Mr. La-  
appropri-

lected by  
agents are:  
president;  
vice-presi-  
2nd vice-  
asper, sec-  
Casper,

was about  
ation was  
Inc.". It  
ation with  
itor.

ools, elec-  
highways,  
improve-  
ks would  
t the as-  
hip. The  
s vast ex-  
nderwrit-  
e to guide  
they may  
work with  
also from  
becoming  
out their  
unfamiliar

ortance of  
s well as  
ellaneous

ance

ansion of  
ns are a  
errupted  
C. J. Sey-  
committee-  
insurance  
n. of In-  
meeting  
mour as-  
24)

## U. S. Guarantee Has \$71,000 Holdup Loss at Warren, O.

U. S. Guarantee through the Adams agency has the bond on Union Savings & Trust Co. at Warren, O. An official of that bank was crowded off the road and robbed of \$71,000 that he was taking from the headquarters of that bank to the Woodland avenue branch of which he is the manager. The man that was held up was Charles Foley. The bond is in the amount of \$500,000.

Mr. Foley had picked up the \$71,000 at the main office of the bank. He had driven just about a mile on his way to the branch and was driving north on Kenilworth, just about a block and a half from the branch, when he was held up. The job was pulled in just about two minutes. A third man was in the holdup car. The two men who did the job jumped in and the car went east on Montclair avenue. It is apparent that these three immediately turned south on Roselawn and then west on Market and into the parking lot of the Trumbull Memorial Hospital, this parking lot being just about 3½ blocks from the scene of the holdup. They apparently changed cars there because the holdup car was found that evening or 10 hours after the holdup by a fire department captain who happened to be visiting the hospital. He went out into the parking lot to get into his car and he observed the Oldsmobile with the correct license plates. He reported it to the police, and it is their belief that the holdup men drove the short distance to the hospital parking lot, changed cars there, then leisurely went on their way. It is a large hospital and large parking lot, and any one car would not receive attention by the people going and coming from the lot.

### Minor Operators' Law in N. Y. Ups Assigned Risks

Since the law became effective in New York July 1 requiring minor motor vehicle operators to furnish evidence of insurance, an appreciable number of cases have turned up in which companies were writing policies at class 1 rates for insured in whose families were younger drivers or class 2 risks of which the companies were not aware.

The new law has appreciably increased the number of risks going into the assigned risk plan.

### Neb. Auto Problem Forum

Insurance Director Laughlin of Nebraska has called a public hearing for Sept. 4, at the capitol building on the automobile insurance situation. This is not a legal hearing to approve or to deny any particular filing. It is a forum intended to provide a means of better understanding among the public, the insurance companies, and interested public officials as to the legal limits and extent of the authority of the Nebraska insurance department in such matters. Also, factors involved in public safety, as they relate to automobile insurance rates, may be discussed.

A speaker from National Bureau of Casualty Underwriters has advised that he will be present to offer information and statistics.

Mr. Laughlin announces that the proposed rule relating to limiting endorsements attached to auto liability contracts, has, after hearing, been abandoned for the present, pending further study by the department.

### Clairton Parley Canceled

The city council meeting that was scheduled at Clairton, Pa., to discuss with the local agents of that place problems relating to the city's liability insurance was canceled before it was held and another meeting has not been called. The city had the liability insurance on

its swimming pool canceled, and Loyal W. Baker, owner of the John P. Baker & Son agency of Clairton, was able to place this coverage through Staunton, Glover & Co. in London Lloyds. The city also received notice that some of its other liability insurance would not be renewed when it expired. All of the insurance of the city is shared by the agents there.

Luther F. Poynter, with Travelers at Indianapolis since 1949, and Rome Osborn have formed a new partnership as Poynter & Osborn agency at Danville, Ind.

## O. L. & T. Rates in Ohio Raised 16.8%

A revision of bodily injury liability rates for a large number of important owners, landlords and tenants classifications in Ohio, effective on Aug. 25, has been announced by National Bureau of Casualty Underwriters.

The classifications affected are those rated on an area and frontage basis, including stores, hotels, churches, hospitals, clubs, restaurants, apartments and

tenements, boarding or rooming houses and mercantile and office buildings. The rates for all classifications affected by the revision are increased on an average 16.8%.

The rates for this type of business were revised in 1951 in Ohio.

### Mexican Insurer Unacceptable

Attorney General Daniel, of Texas, in response to a query by the board of insurance commissioners, has ruled that the state may not legally accept the certificate of an insurer in Mexico as evidence of financial responsibility.

# REINSURANCE

## CASUALTY • FIDELITY • SURETY

*North American*  
*Casualty and Surety*  
*Reinsurance Corporation*

161 EAST 42nd STREET  
NEW YORK 17, NEW YORK

## Gives Tips on Dealing With Excess Judgment Problems

Warren B. King, Minneapolis lawyer, in addressing the meeting of Federation of Insurance Counsel at Chicago this week, declared that a practical and desirable solution of the problem of the liability of the insurer for excess judgment is to let the insured settle his liability for an excess recovery. Let him compromise the uninsured portion of his liability, was the recommendation.

If the insured is so anxious that the insurer pay because he honestly believes he is liable and the injuries are serious, let him, the speaker said, back up that opinion by settling with the plaintiff for his excess liability providing such settlement does not impair, impede or otherwise affect the insurer's defense within the policy limits. The courts consistently held he has that right.

The difficult case arises where there is serious injury and limited coverage. The defense attorney must be careful to give equal consideration to the rights of the insured as to the insurer in determining whether to settle.

### Outlines the Pattern

The pattern in these cases is that the insured is given notice of excess demand for more than the policy limits. The latter hires his own attorney, "but that bird never comes into your office and tries to help you get the case ready for trial. He pops up just about the time you are ready to go down for trial. He scoots over in the corner, talks to his pal, the plaintiff's lawyer, comes back and says 'you can settle this case for less than the policy limits.' What are you going to do with a fellow like that? He doesn't pay any attention to liability. Maybe we can get him this

way: Get him in your office before you go to court and ask him 'What is your opinion here of the liability?' Once you get him to say this is a good case on liability, he is not in very good position to demand you settle the case."

### Sales and Agency Parley of Mutual Men Set for Sept. 18

The program has been announced for the sales and agency conference Sept. 18-19 at the Conrad Hilton hotel, Chicago, of Conference of Mutual Casualty Companies. On the morning of Sept. 18, Harold L. Curry, vice-president of State Farm Mutual Auto, will speak on "Public Demands for Compulsory Auto Insurance and State Funds. Does the Industry Have the Answers?" The commentators are Charles W. Leftwich, vice-president of Farm Bureau Mutual Automobile of Columbus, and Irving J. Maurer, treasurer of Farmers Mutual Liability of Madison.

That afternoon with Robert Doucette, sales manager of Milwaukee Automobile, as chairman, M. J. Wilkinson, vice-president of Employers Mutual Casualty of Des Moines, and A. Lynn Minzey, vice-president of Auto-Owners of Lansing, will tell how their companies promote and underwrite miscellaneous casualty lines. Then Lynn Matteson, secretary of Mutual Service Casualty of St. Paul, will give a talk on the analysis he has made of house organs, agency bulletins, employee publications, etc.

The next morning with E. B. Rogers of Mutual Service Casualty as chairman, W. C. Searl, secretary of Auto-Owners, will speak on "What Is Mutual Insurance?" and Carl M. Russell, secretary of Farmers Mutual Liability of Indianapolis, and A. W. Tompkins, vice-president

of State Farm Mutual, will talk on methods used by the sales department in controlling agency loss ratios. That afternoon with Roger L. Sullivan, vice-president of Michigan Mutual Auto, as chairman there will be a panel discussion of questions that are to be distributed, the panel members being E. B. Rogers of Mutual Service Casualty; J. C. Jordan of Minnesota Farmers Mutual Casualty, Robert Doucette of Milwaukee Automobile, W. H. Henthorn of Rural Mutual Casualty and Leonard Kington of Equity Mutual.

### Five Continental Men to U.S. Life Posts

Directors of United States Life have elected five executives of the Continental companies to official positions. Through sale of controlling stock interest, U. S. Life recently became associated with the Continental companies.

Roy Tuchbreiter, president of Continental Casualty, Continental Assurance and Transportation Ins. Co., was elected chairman. Howard C. Reeder, executive vice-president and director of Continental Assurance, was elected a director.

Raymond H. Belknap, vice-president and a director of Continental Assurance, was elected vice-president and a director of U. S. Life as well.

Armand Sommer, executive assistant vice-president of Continental Casualty's A. & H. department, was named vice-president.

J. F. Welch, former eastern executive agency supervisor for Continental Casualty's A. & H. division, was elected vice-president and will head U. S. Life's A. & H. operations. Mr. Welch entered the business in 1928 and joined Continental in 1937 as supervisor at New York City.

Messrs. Tuchbreiter, Reeder, Belknap and Sommer retain their Continental responsibilities at Chicago; Mr. Welch will office exclusively at New York with U. S. Life in the future.

U. S. Life will retain its identity and will continue to maintain head offices at 84 William street, New York City.

### Losses on 10% of Portfolio Erase Profits on 90%

Illustrative of the effect of the losses in the automobile third party lines on company results is the story of one of the prominent company groups. This organization in 1951 found that 10% of its volume was in the automobile third party line, and the losses on that portion of its business entirely overcame the profit that was recorded on the other 90% of the business.

### Lapeer Case Held Open

LANSING, MICH.—Judge Coash of Ingham county circuit court has adjourned indefinitely a motion by trustees of the defunct Lapeer Farmers Mutual Fire to discharge the trusteeship, approve final accounts and destroy the records.

In view of the controversial circumstances surrounding liquidation of this mutual, subject of constant litigation since 1935 and recently of violent outbreaks accompanying eviction attempts based on sale of properties for liens due to unpaid assessments, Frank G. Millard, attorney general, assured that there was no danger that records in the case would be destroyed.

### Utah Leaders Confer

The executive committee of Utah Assn. of Insurance Agents and the officers and members of the advisory committee of Salt Lake Assn. of Insurance Agents with their wives, held a gathering at Brighton, at the Alpine Rose Lodge. Arnold Burgener, the state president, was in charge. Preparations were made for the annual meeting Sept. 21 with the Utah advisory committee of Pacific Board.

## New Commercial Travelers Group Head Is C. C. Chase

New officers elected by International Federation of Commercial Travelers Insurance Organizations at the annual meeting at Miami Beach are: President, Currie C. Chase, Iowa State Traveling Men's; vice-president, T. C. Abele, Travelers Protective of St. Louis, and secretary-treasurer, John W. Whittemore, Eastern Commercial Travelers (reelected).

A. W. Franklin, United Commercial Travelers of Columbus, is chairman of the executive committee, which consists of R. E. Pratt, Travelers Health of Omaha; Edward Trevett, Commercial Travelers Mutual Accident of Utica; Frederick A. Nichols, Connecticut Commercial Travelers Mutual A. & H.; Paul Clement, Minnesota Commercial Men's; Mell W. Hobart, Ministers Life & Casualty Union; Robert A. Cavanaugh, Illinois Commercial Men's; Loring Elliott, Physicians Casualty of Omaha; Richard F. Cavanaugh, Illinois Travelers Men's.

The principal address was delivered by Moses G. Hubbard, general counsel of the federation, on the service of process act and its bearing on the association members.

The member organizations last year showed a healthy growth, it was reported, and several of them are adding hospitalization and medical policies to their accident line.

The 1953 meeting will be at Jasper Park Lodge in Jasper National Park, Alberta, Canada, Aug. 24-26.

### Program Given for Mutual Loss Managers' Meeting

The program is announced for the meeting of Mutual Loss Managers Conference at the Edgewater Beach hotel, Chicago, Oct. 1-3. On Oct. 1, with Charles H. Runser of Central Mutual as chairman, there will be a business meeting. G. S. Peick will report for the form committee and that afternoon Gordon Davis, secretary-manager of Mutual Loss Research Bureau, will report. From then on the sessions will consist of joint meetings of loss managers and adjusters.

On Oct. 2, speakers include C. E. Nail, president of Lumbermen's Mutual of Mansfield, on "The School Room of Insurance"; G. S. Peick, assistant secretary of Hardware Mutual, on "The Proper Use of Uniform Loss Reports"; Richard F. Mills of Indianapolis; Leonard H. Jones, secretary of Druggists Mutual of Mansfield on "200th Anniversary of Mutual Insurance", and Don Hawkins, Mutual Loss Research Bureau, will conduct a panel on the additional extended coverage endorsement, his associates being Gordon L. Ingebritson of Michigan Adjustment Bureau, William H. Rodda of Transportation Insurance Rating Bureau, and Mr. Peick.

On Oct. 3 with Arthur Allan of Allied American Mutual Fire as chairman, Dr. R. C. Steinmetz, chief special agent of Mutual Investigation Bureau, will speak, along with Cy Fraley of Columbus, O., on letterwriting; Arthur Brayton of Des Moines, E. H. Brockius, president of National Assn. of Independent Insurance Adjusters, and B. R. Lothgren, executive assistant of Western Adjustment, will conduct a panel on non-concurrent apportionments, his assistants being A. T. Persson of Toplis & Harding-Wagner & Glidden, Chicago; Walter C. Feimster of Philadelphia and James J. McDevitt of Boston.

### Mutual Agents Organize

Seven mutual agencies at Memphis have organized the Mutual Insurance Agents Assn. there with W. R. Van Camp as temporary chairman. A meeting is planned for Sept. 9 at which permanent organization will be effected.

**We take pleasure in announcing the enlargement of our**

## ACCIDENT AND HEALTH DEPARTMENT

For the writing of unusual and special risks

**Catastrophe Medical Reimbursement**  
Aviation Accident  
Military Pilots  
Doctor's Disability  
Accidental Death & Dismemberment Up to \$1,000,000  
Group Polio  
Key-Man or Executive Group  
Student Accident  
Athletic Teams  
Industrial Aid Aircraft

**Overage Accident (To Age 85)**  
Professional Artists  
Non-Appearance  
Travel Accident  
Pilot Accident  
Hand Disablement  
Sports Medical Reimbursement  
Mortgage or Credit Ins. Plans  
Stock Car Racing  
Trip Insurance  
Corporate Groups

Any of the above may be written on a Group or Individual basis. Complete information upon request.

**Underwriting Representatives of Lloyd's, London  
Continental Casualty Company**

## Newhouse and Hawley, Inc.

UNDERWRITERS

135 S. La Salle Street  
Chicago 3, Illinois  
State 2-1285  
Teletype CG-1026

70 Pine Street  
New York 5, New York  
Bowling Green 9-0882  
Teletype NY 1-2823

Aug

W  
for  
Er  
E  
Union  
ant  
cour  
nity,  
amou  
wom  
that  
hors  
gran  
In  
said  
\$94,  
appro  
Mrs.  
Sprin  
Th  
mon  
\$8,40  
\$1,20  
to Je  
make  
Wes  
to v  
and  
parti  
it is

Blu  
Par  
Al  
for  
an d  
Cros  
the  
sente  
tional

Can  
Inc

Jin  
in hi  
the  
prem  
Hat  
show  
bility  
meek  
has  
incre  
Th  
ing  
we  
cause  
panie  
Let's  
then

Jap  
Hi  
Ky  
fire  
Mr.  
Nich  
to v  
Siam  
the  
Be  
agen  
Indo  
Chin  
busin

Arm  
Sig  
Finn  
A. M  
comm  
Post,  
E. W  
der;  
2nd  
Fire  
rissi,  
Dave  
at ar  
lain;  
histo  
offic  
advoc  
Wi  
and

XUM

## Western Union Sued for Transmitting Embezzler's Race Bets

EAST ST. LOUIS, ILL.—Western Union Telegraph Co. is the defendant in a suit for \$8,400 filed in federal court here by St. Paul-Mercury Indemnity, which seeks to recover that amount on the grounds that an Arkansas woman bank teller it had bonded lost that amount of bank embezzled funds on horse race bets placed here via teletypes.

In its petition the bonding company said it had paid Arkansas Trust Co. \$94,602 in bond money to cover the misappropriation of the bank's funds by Mrs. Martha Stokes, a teller in its Hot Springs branch.

The company alleged that in three months in 1951, Mrs. Stokes caused \$8,400 of bets, ranging from \$600 to \$1,200, to be wired via Western Union to John Mooney, East St. Louis bookmaker. The petition charged also that Western Union conspired with Mooney to violate the Illinois gambling laws, and that since the telegraph company participated in the gambling transaction it is obliged to refund the amount of the Arkansas woman's bets.

### Blue Cross Enrollment

#### Parley Draws 250

About 250 are at Chicago this week for the three-day 1952 public relations and enrollment conference of Blue Cross and Blue Shield. More than 80 of the 87 plans in the country are represented. Richard Jones, director of national Blue Shield plans, is in charge.

### Cartoonist Hatlo Shows Inconsistency of Insured

Jimmy Hatlo, the cartoonist, featured in his King Syndicate cartoon this week in the inconsistency of the insured as a premium payor and member of a jury. Hatlo's character in the first panel is shown objecting vociferously to a liability rate increase while the agent weekly tries to explain that inflation has had its effect on insurers and an increase is imperative.

Then is shown the same insured serving in the jury room saying: "Why are we hemming and hawing about who caused the accident? Insurance companies are better heeled than Fort Knox! Let's give the plaintiff \$500,000 and then we can all go home."

### Japanese Ends U. S. Stay

Hiroshi Akabane, a Japanese insurance man, has returned to his home at Kyoto after 10 months spent studying fire and marine lines with Travelers. Mr. Akabane, a field supervisor for Nichido Fire & Marine of Tokyo, plans to visit India, Pakistan, Burma and Siam on his first tour for Nichido since the war.

Before the war he regularly visited agencies in India, Burma, Siam, French Indo-China, the East Indies and Canton, China. Now he will try to reopen these businesses.

### Arndt Heads Legion Post

Sig C. Arndt, former vice-president of Finn, Smith & Medcraft and now with A. M. Bender & Co., was installed as commander of San Francisco Insurance Post, American Legion. J. E. Wright, E. Wright & Sons, is 1st vice-commander; W. B. Whallon, Royal-Liverpool, 2nd vice-commander; Ralph R. Ridder, Fireman's Fund, adjutant; Alex R. Parissi, Hartford Accident, finance officer; Dave C. Bogert, Long & Levitt, sergeant at arms; Roland A. Kurtz, broker, chaplain; Eugene J. Long, Norwich Union, historian; Cy S. Sinclair, broker, service officer; Eric A. Falconer, attorney, judge advocate.

William H. White, insurance attorney and a past commander of the San Fran-

cisco Post, has just been elected commander of the California department of the Legion.

### Cites Problem of Splitting Third Party Coverages

From Gene Midei, special agent of the Wheeling, W. Va., managing general agency of Fred C. Campbell & Son.

In THE NATIONAL UNDERWRITER of Aug. 21, I have read the article written by A. J. Engleman, insurance consultant at 120 East 88th street, New York City, wherein Mr. Engleman sug-

gests writing property damage liability with collision.

Frankly, the idea seemed very logical at first. In fact, it is my understanding that years ago the insurance industry adhered to Mr. Engleman's underwriting suggestion to a great extent. I'm wondering now, however, just how well the bodily injury liability carrier would appreciate this underwriting principle. I make this statement for this reason. It is true that the payment of a property damage claim indicates the admission of liability, therefore, in the event a property damage claim is paid and a bodily

injury claim arises later out of the same claim, just what defense would the bodily injury liability carrier have after the property damage claim has been paid?

I'm sure the bodily injury liability carriers would appreciate an answer to this question.

### Aetna Has Bank Bond

Aetna Casualty has a \$125,000 bond on the Prospect Park (Pa.) State Bank where a 45-year-old female assistant cashier admitted stealing \$38,000 from the bank.



**U.S.F. & G. AGENTS**  
This series of informative advertisements, appearing in TIME, BUSINESS WEEK, NEWSWEEK, NATION'S BUSINESS and WALL STREET JOURNAL, is designed to help your business.

# The Cost of Your Automobile Insurance

**AUTOMOBILE liability insurance rates do not have to increase if you . . . and the rest of the nation's motorists . . . do not want them to.**

**No amount of inflation can affect the accident that does not happen. Increased costs of repairs and repair bills cannot be charged against the car that isn't damaged.**

**No court, no jury can be swayed to excessive awards for liability claims that do not exist.**

**It all boils down to . . . sane driving and fewer accidents!**



*Your local agent is constantly ready to serve you. Consult him as you would your doctor or lawyer. For U. S. F. & G. claim service in emergency, call Western Union by number and ask for Operator 25.*

**U.S.F. & G.**

CASUALTY  
FIDELITY-SURETY  
FIRE

United States Fidelity & Guaranty Company, Baltimore 3, Md.  
Fidelity Insurance Company of Canada, Toronto

## Football Player's Benefits Under Workmen's "Comp." Upheld in District Court

District Judge W. A. Black of Denver has upheld a workmen's compensation award to E. E. Nemeth, a football player at the University of Denver, on the claim that Nemeth suffered a back injury as an "employed" football player.

The judge, however, held that Nemeth was not employed as a football player, but rather was given work in order that he might maintain himself economically during his undergraduate work "as a scholar" in school. By leaving that job to play football, with the consent of his employer, he became eligible to receive benefits. The court compared the case to private industry, wherein an employee often is permitted to leave his work for a sponsored sports program.

### London Guarantee Is Insurer

London Guarantee, the insurer, is required to pay \$11.87 a week from June, 1950, to Sept. 24, 1950, for temporary disability, and a similar amount from that date until further notice for permanent disability. Judge Black said Nemeth was employed "on a necessary job" which work would have had to have been performed by someone, whether a football player or a student.

## ACCIDENT AND HEALTH

### N. Y. Agreement on Filing Group A.&H. Forms Delayed by Injection of Rate Angle

As a result of the insistence of the New York department on more detailed provisions regarding rates and commissions for group A. & H. insurance, the conference held last week between the department and an all-industry policy forms committee, with a view to formalizing the rules and procedures for filing of policy forms in that field, was unable to complete its work.

The company committee, named some time ago and consisting of representatives of H. & A. Underwriters Conference, Bureau of A. & H. Underwriters, American Mutual Alliance, Life Insurance Assn. of America and American Life Convention, with R. A. Hohaus of Metropolitan Life as chairman, had had a meeting with the department in July and at a later session of its own agreed on a proposed regulation, which was drafted by Milton Ellis of Metropolitan and submitted to the department.

At the meeting last week the department men came back with a revision of that draft. The committee's proposal merely stated that rates should be filed, but the department revision went into

that matter at great length. Most of the committee members were not rating experts and felt that they were not qualified to deal with the new issues thus presented. A new committee on rates and commissions is therefore being formed to handle that angle.

It will now be impossible to get the new regulations completed before Sept. 1, when a new New York law, imposing penalties for failure to comply with filing procedures, is to become effective and the department is expected to suspend its operation until they can be set up.

### Conference Underwriting Forum Agenda Given

Details have been announced of the program for the underwriting forum of H. & A. Underwriters Conference at Cincinnati, Sept. 23-24.

After opening remarks by E. F. Brewster, Republic National Life, underwriting committee chairman, H. Lewis Rietz, Lincoln National Life, chairman of the conference executive committee, and C. O. Pauley, conference managing director, there will be reports of the subcommittees on manuals, underwriting and underwriting forms. The first speakers will be J. McCuistion, Woodmen Accident, and Charles D. Scott, Great American Reserve, on "Renewal Underwriting." Dr. John J. Phair, University of Cincinnati, will discuss "Concepts of Occupational Health Programs."

The second morning there will be an open forum with C. M. Barry, Ohio State Life, in charge. Underwriting limits will be discussed by J. M. Wickman, Mutual Life of New York; stacking of hospital policies by A. M. Hansen, Mutual Benefit H. & A., and "Over-Age Risks" by E. B. Forsythe, Illinois Mutual Casualty.

Training of home office underwriters will be discussed by Duward Ulfers, Mutual Benefit H. & A., and J. N. Crary, Connecticut General Life.

The meeting will conclude with a case clinic with Roy A. MacDonald of the conference staff as moderator. Participants will be Ward Beall, North American Life & Casualty; J. T. Halverson, Washington National; Abe Kite, Sterling of Chicago; T. T. McClintock, Fidelity H. & A. Mutual; V. J. Nutt, National Travelers; H. J. Orpen, Economical Mutual Fire; H. E. Sohn, Wisconsin National Life, and O. C. Yuerhs, Farmers & Traders Life.

### Hartford A. & H. Assn. Elects

John H. Thompson, Loyal Protective Life, has been elected president of Hartford Assn. of A. & H. Underwriters.

John O. Bogardus, Paul Revere Life, is the new vice-president, and George J. Richards, Monarch Life, secretary.

### Form New \$1 Million Club

Continental Casualty has inaugurated a \$1 Million Club. Members will qualify by writing a total of \$1 million or more of accidental death principal sum through the special risks division.

The first 25 qualifiers will be initiated as charter members. Agencies or producers may apply for membership and qualify upon reaching \$1 million amount at risk at any time within a one-year qualification period.

### To School Agents in A. & H.

Bankers Life of Iowa is planning to enter the individual A. & H. field shortly. President E. M. McConney last week announced to the managers and agents that the field force will be schooled effectively in A. & H. insurance before the company starts writing it.

### Baldwin in New Post

Thomas E. Baldwin has been promoted from regional sales manager in the group department of Mutual Benefit

H. & A. and United Benefit Life at Philadelphia to regional manager in charge of the newly opened Chicago group office. William F. Nicholson, group representative at Philadelphia, has been promoted to regional sales manager there.

The Philadelphia group office has been moved to larger quarters at Room 1814 Fidelity-Philadelphia Trust building.

### Chicago Golf Tourney Set

Chicago A. & H. Assn. will hold its annual golf tournament Sept. 25 at Itasca Country Club. Robert E. Keeley, Monarch Life, is chairman.

### Milwaukee Board Launches State-wide Safety Crusade

MILWAUKEE—A state-wide "safety crusade to stop murder on the highway" has been undertaken by Milwaukee Board of Underwriters under the direction of Val Gottschalk, chairman. The announcement followed that of the National Bureau of Casualty Underwriters of increased rates for auto liability insurance in Wisconsin.

The movement was inaugurated by newspaper advertising and publicity in Milwaukee newspapers. Among the aims is to create a nonprofit corporation with board sponsorship and financing, to solicit membership among all motorists to carry on the campaign under the name of "Crusade for Safety in Wisconsin." The insurance men have made sufficient subscriptions to inaugurate the drive, according to Mr. Gottschalk.

### Junior Ferguson Heads New Orleans Agency

William Loring Ferguson, Jr., has been elected president of the Hardin & Ferguson Agency at New Orleans to succeed his late father.

Mr. Ferguson represents the third generation of his family in the agency. His grandfather, Walter J. Ferguson was president from 1907 to 1915 and his father was the president from 1945 until his recent death.

W. L. Ferguson, Jr., was graduated from Tulane in 1947 and was in the navy for three years. He has been especially interested in the marine and marine loss departments. The Hardin & Ferguson agency traces its origin to 1868 when it was founded as Marshall J. Smith & Co.

### Additional Utah Speakers

Additional speakers are announced for the convention of Utah Assn. of Insurance Agents Sept. 22-23 at the Newhouse hotel, Salt Lake City.

There is to be a panel the morning of Sept. 23 in charge of Edward F. Folland of Fred A. Moreton Co. and Doug Langton of Transportation Insurance Agency, Inc. Other speakers include William L. Latham, resident secretary of Home at San Francisco; Frank C. Colridge, manager of Pacific Board; Douglas H. Smith, executive vice-president of Utah Home Fire, Commissioner Terry of Utah and Paul Keller, attorney for the new Utah Public Safety Commission.

Kenneth Brasted, Wichita local agent, was named 2nd vice-president of the four-state Midwest Savings & Loan Conference which met at Fort Collins, Colo. James M. Casey of the Mitchner agency, Hutchinson, Kan., was named a director.

### Ore. Auto Rates Upped

Higher auto rates became effective in Oregon this week. For private passenger cars the revisions result in increases ranging from \$3 to \$20 for BI and PDL combined. In the commercial car area the increases for combined coverage range from \$7 to \$16.

The class 1 rate that is now \$54 was formerly \$49; class 2 is now \$89, was \$81; a rate that is \$44 was formerly \$34.

## BUCKEYE UNION

*means*  
**two strong companies**

**...strong in their belief in the American Agency System**  
**...strong in prompt settlement of claims**  
**...strong in field service to agents**

**THE BUCKEYE UNION CASUALTY CO.**  
**Automobile—General Liability—Burglary—Plate Glass**  
**Fidelity and Surety**

**THE BUCKEYE UNION FIRE INS. CO.**  
**Fire—Allied Lines—Inland Marine**

**Capital Stock Insurance Companies operating in Ohio, Indiana, Pennsylvania, Michigan and Kentucky**

**HOME OFFICES: 515 EAST BROAD STREET, COLUMBUS, OHIO**

**PRITCHARD AND BAIRD**  
99 John St., New York 38, N. Y.  
BEEckman 3-5010

**REINSURANCE**  
CONSULTANTS AND INTERMEDIARIES  
"WE ARE WHAT WE DO"  
CASUALTY • SURETY • FIRE • MARINE

WOrth 4-1981

XUM

fit Life at  
manager in  
Chicago  
Nicholson,  
delphia, has  
es manager

ce has been  
Room 1814  
building.

ey Set  
will hold its  
ept. 25 at  
E. Keeley,

runches

rusade

wide "safe-  
in the high-  
Milwaukee  
or the direc-  
man. The  
of the Na-  
nderwriters  
bility insur-

gurated by  
publicity in  
ing the aims  
eration with  
ing, to so-  
motorists to  
the name  
Wisconsin."  
le sufficient  
e drive, ac-

ds

Y  
Jr., has  
Hardin &  
Orleans to

the third  
he agency.

Ferguson  
1945 and his  
1945 until

graduated  
was in the  
been espe-  
e and ma-  
Hardin &  
gin to 1868  
Marshall J.

kers  
announced  
Assn. of  
23 at the  
City.

the morning  
Edward F.  
n Co. and  
station In-  
speakers  
resident  
Francisco;  
of Pacific  
executive  
Fire, Com-  
Paul Kel-  
Public

local agent,  
ent of the  
Loan Con-  
llins, Colo.  
er agency,  
a director.

ed  
ffective in  
passenger  
increases  
and PDL  
car area  
coverage

v \$54 was  
\$89, was  
merly \$34.

August 28, 1952

## CHANGES IN CASUALTY FIELD

### Rieder Casualty Department Head of Fire Association

Matthew A. Rieder has been appointed manager of the casualty department at the head office of Fire Association. He has been casualty special agent in northern New Jersey with headquarters at East Orange. He joined Fire Association in 1951 after 15 years in the casualty field. He is a navy veteran.

Replacing Mr. Rieder in the northern New Jersey field will be Daniel D. Riley, Jr., who has had experience both as field man and underwriter. He served five years in the army.

### Edgecombe Embarks on Agency Career at Flint

Howard W. Edgecombe has resigned as district manager for Zurich at Grand Rapids, Mich., to become vice-president of the Sparky Hale agency at Flint, Mich. Mr. Edgecombe has been in the Michigan field 10 years.

### Up Wright at Indianapolis

Agency Supervisor Allen S. Wright has been promoted to assistant manager of American-Associated at Indianapolis. Wm. F. Koch is resident vice-president there.

Mr. Wright, following a college course in business administration, joined American Automobile at Milwaukee in 1941. After army service he returned to the company as an underwriter. In 1947 he became field underwriter at Milwaukee and in 1948 transferred to Indianapolis, where he has served as agency supervisor for three years.

### Shift Loughridge to Omaha

J. Barry Loughridge, formerly special agent for Home Indemnity at Minneapolis, has been transferred to Omaha, covering Iowa and Nebraska.

Mr. Loughridge, a graduate of Washington & Jefferson College, joined the company in 1950 and on completing his training at the home office went to Minneapolis as an underwriter, becoming special agent last May.

### Speir to Swett & Crawford

Gilbert C. Speir, formerly underwriting manager for Rainier National, has joined the casualty department of Swett & Crawford at Seattle. He was with Clise & Cumins from 1946-8 and then for two years with General of Seattle, first at the home office and later at Portland, Ore.

### McLaren to Guarantee, Cal.

Guarantee of Los Angeles has appointed Beaumont McLaren special accounts supervisor for the metropolitan area of Los Angeles. He is a graduate of University of Paris, served in the first world war as a fighter pilot and entered insurance in 1920 with Michigan Mutual Liability. He went to the coast in 1921 and was with Corroon & Reynolds, Fred S. James & Co., and was instrumental in forming two general agencies at San Francisco.

### Adkins Joins Pan American

Truman Adkins, formerly instructor and key man in the educational program sponsored by Texas Butane Dealers Assn., has joined the Pan American companies of Houston as director of liquefied petroleum gas education.

Since 1948, Mr. Adkins has been conducting courses in LP gases and equipment for Texas butane dealers under the auspices of the extension division of University of Texas in cooperation with the dealers association. He will also

act as first assistant to L. E. Davis, chief LP gas safety engineer.

### Creation of New District by Michigan Assn. Sought

LANSING, MICH.—A revision of the constitution of Michigan Assn. of Insurance Agents will be sought, to provide for creation of a new eight-county district in the northeastern section of Michigan's lower peninsula.

The action follows a meeting at East Tawas, attended by members of Tri-County Assn. of Iosco, Ogemaw and Oscoda counties, Mr. Hildebrand, Commissioner Navarre, several field men and Archie Barnich, Cheboygan, executive committee member.

John C. Elliott of East Tawas, president of the Tri-County association, presided at the session at which it was proposed that the three-county organization be included in the larger territorial group.

### Kan. Mutuals Meet Sept 18-19

Kansas Assn. of Mutual Insurance Companies has set Sept. 18-19 for its

annual meeting at Topeka. The program is being arranged by Secretary C. J. Richert, Midland Mutual, Newton. Alliance Cooperative will furnish entertainment following the banquet.

### Auto Liability Panel Big Feature of N. J. Convention

Implementation of New Jersey's new automobile liability insurance program will be the main subject of discussion at the annual meeting of New Jersey Assn. of Insurance Agents at the Ambassador Hotel, Atlantic City, Sept. 10-12.

Commissioner Gaffney of New Jersey and William J. Dearden, director of motor vehicles, will be among panelists on a forum dealing with that subject, as will Harold Phillips, information director of Assn. of Casualty & Surety Companies. The forum, open to questions from the audience, is scheduled for Friday morning.

Also on the program are Leon Watson and S. Gage Lewis, managers of Fire Insurance Rating Organization, and Arthur M. O'Connell, Cincinnati, president of the Ohio association.

Roy J. Carroll has purchased the interest of Frank J. Dollis in the Gill & Smith agency at Denver. It is probably

the oldest local agency in Colorado, having been organized in 1864.

### Announces Ohio Assn. Annual Meeting Plans

The annual meeting of Ohio Assn. of Insurance Agents will be held Sept. 22 at Cleveland. The annual meeting of the N.A.I.A. will be on there the same week. Harper Annat, state director of commerce, will deliver the address of welcome to the National association. Superintendent Robinson has announced that he will arrange conferences for those who wish to talk over insurance matters with officials of the department. A rural agents breakfast and forum will be held under the direction of General Chairman Hoyt Whitney of Sunbury.

### School for Agency Workers

A five-day school for agency clerical workers was held this week at Michigan State College under joint auspices of the college and Michigan Assn. of Insurance Agents. Some 35 young women are enrolled for the course under direction of Carl Strong, insurance training coordinator at the college.

## we're proud of our record:

1. **Fifty-two years old. Only six other companies have been in the bonding business longer than we have.**
2. **Lowest loss ratio of any company in the business.**
3. **On the list of the twenty-five largest writers of surety fidelity bonds in the entire United States.**



## WESTERN SURETY COMPANY One of America's Oldest Bonding Companies

175 West Jackson Blvd.  
Chicago, Illinois

Sioux Falls  
South Dakota

21 West 10th Street  
Kansas City 6, Mo.

1700 Commerce St.  
Dallas 1, Texas

## WORKMEN'S COMPENSATION

### Describes Accident Prevention, Rehabilitation Work of Insurers

Workmen's compensation insurers are making a "bold all-out attack along three fronts in the loss prevention field," William H. Seymour, vice-president of Liberty Mutual told Federation of Insurance Counsel at its annual meeting at Chicago this week. The insurers are in the unique position of acting as a "catalyst" among industrial and economic pressure groups, Mr. Seymour said. While close to industry and worker in loss prevention work, they are at the same time sufficiently removed from the heat of opposing opinions to be able to offer unimpassioned views on trends and the changing times. The companies are seeking the latest in medicine, psychology, and the newest technical and scientific techniques to keep loss prevention activity abreast of swiftly changing problems.

#### Carried Out Along Three Lines

The three lines along which loss prevention is being carried out, Mr. Seymour said, are attempting to avoid accidents at their source by technological and psychological means, and where accidents have already occurred, the companies are attempting by the latest techniques of rehabilitation to bring the victim as completely as possible back to his work with a maximum enjoyment of health; finally, through research, the companies are seeking to remove the causes of accidents, not only seeking new methods to avoid accidents that may arise, but often stopping them at their hidden source before they have a chance to cause damage.

The companies are faced with a confusing situation when the loss preventionists try to come to the aid of the underwriting and claims departments. As problems change, there arise certain conditions which for many years have been considered not harmful or aggravating, and therefore not compensable, but are now included under the workmen's compensation act or made subject to jury award. The loss prevention departments have no time to study or prepare for these situations. The worst along this line, Mr. Seymour remarked, are claims for partial loss of hearing due to noise in industry. These claims constitute a recent and alarming development. In one state awards of \$2000 and \$3000 have been made for such claims without the employee losing any time from work, or any wages. When loss prevention people studied the question they found it was poorly defined, while scientific knowledge is uncertain and contradictory.

#### To Hold Hearing on Cal. Group Compensation Bill

LOS ANGELES — Assemblyman Ernest R. Geddes, chairman of the California assembly interim committee on finance and insurance, will call a hearing to be set later on a bill referred to it at the 1951 session making changes in the insurance code relating to group workmen's compensation insurance.

The measure embodied certain modifications of the law to meet suggestions by Commissioner Maloney. It had a stormy history in the assembly. The committee on finance and insurance returned it to the floor without action, just before adjournment. It then went to the interim committee.

Any group seeking such coverage would have to file a copy of its articles of incorporation and by-laws or its agreement of association; state its reasons for desiring group insurance and that 75% of its members are engaged in a common trade or business, and file an agreement in writing guaranteeing payment of premiums.

The bill defines the term "common

trade or business" in three classifications in respect to agricultural enterprises, building industry and all other enterprises.

Each member of an organization insured under the group policy would be treated as a separate entity as to rates, classification and rating plans. The insurance commissioner would promulgate rules and regulations for administering the measure.

#### Start Ohio Draft Soon

Sub-committees of the workmen's compensation committee of the Ohio program commission have completed their hearings the past week and the drafting of preliminary reports will be undertaken shortly by the steering committee. Senator Roscoe R. Walcutt, chairman of the commission, said any opinions expressed by the sub-committees should not be taken as final, as the commission itself will have the final say as to recommendations to be made. Reports will be made to the governor and the legislature.

Speakers before the committees have urged that private insurers be permitted to write such insurance on a competitive basis in order that employers may choose the type of insurance they wish. Insurance men also have urged that the compensation law be revised so that the cost of administration and payment of claims be made a part of workmen's compensation insurance costs.

#### I.C.C. Supervisor Tells of Its Insurance Requirements

James R. Boyd, district supervisor of the bureau of motor carriers of Interstate Commerce Commission, addressed San Antonio Insurance Exchange on the requirements of the commission with regard to the carrying of public liability and property damage insurance by motor carriers. He said some carriers try to avoid this regulation and that others are self-insured. He emphasized the necessity for the approval by the commission of insurance carried. In connection with self-insurers, he mentioned the recent disaster in which Greyhound Bus Lines was involved.

He called attention to the importance of publicity on safety rules and regulations for motor carriers and expressed appreciation of the cooperation of insurance agents.

Travis Bailey, past president of the Texas association, reviewed the situation with regard to licensing automobile dealers as insurance agents. The recent Ohio court decision was mentioned, and Mr. Bailey said it is hoped Texas will not have to go through the experience of Ohio.

L. C. Beery announced that plans are under way for organizing an insurance club at San Antonio similar to the one at Dallas.

#### N. Y. Department State Fair Exhibit Is New Feature

A new feature at the state fair at Syracuse Aug. 30-Sept. 6 will be the exhibit of the New York insurance department.

Its exhibit in the state institutions building will be designed to resemble a theater front, with an information booth taking the place of the ticket office. Two sound motion pictures, one dealing with accident prevention and the other depicting the formation of the first American insurance company at Philadelphia 200 years ago, will be shown continuously. In addition, there will be posters portraying the functions and services of the insurance department. There will also be a display of departmental publications.

The D. M. Coppock agency at Peru, Ind., is celebrating its 40th anniversary. It has been under the management of Mr. Coppock since 1912.

#### California Assn. Holding 25 Regional Meetings

This week the California Assn. of Insurance Agents is conducting its fall series of 25 regional meetings with Robert E. Battles, president, in charge in central California, Laurence Canfield, secretary, handling these meetings in the northern part of the state and George O. Johnson, director—substituting for Vice-president R. E. Dawson—covering the southern section. Mr. Dawson's physician has suggested that he limit his activities for several weeks.

Each of these officers is discussing the proposed broad or comprehensive dwelling fire form which has just been drafted by committees of Pacific Board. On the whole, the association officers approve the proposed form but are not giving complete details, as the present draft is not considered final.

#### Automobile Market Considered

Other subjects being presented at the meetings by the officers include the automobile insurance market and the use of the association's new booklet, "The Agent and His Place in the Community," which is to be distributed to all association members within the next few weeks.

California producers are much concerned over the outlook for automobile insurance and some hints of legislative action.

#### Buy Agency at Marshfield

Clifton H. Marsh, southeastern Massachusetts special agent for Employers group, is resigning Oct. 1 and will enter the local agency business at Marshfield, Mass.

Mr. Marsh has purchased the George M. Baker & Son agency there which celebrated its 100th anniversary last year. He has been in the Massachusetts field for Employers for 16 years.

#### Two N.Y. Comingling Fines

Superintendent Bohlinger has fined Charles T. Williamson of Buffalo and Ronald W. Linck of Boonville, N. Y. \$100 each for mingling premium moneys with other funds.

#### NOW AVAILABLE

## A HOSPITAL EXPENSE PLAN

#### PAYING

From \$5 to \$10 a day for 100 days accident or illness. Plus 10 times the daily rate for miscellaneous expense. Plus 3 times the daily rate for emergency expense for injury.

#### TO WHICH MAY BE ADDED

Surgical expense providing \$125, \$225 or \$300 maximum. Medical expense providing \$3 daily for doctor's visits in hospital.

**New Amsterdam Casualty Company**

BALTIMORE

NEW YORK

1886—OVER A HALF CENTURY OF SERVICE—1952

## The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

#### Miss Danielson Honored

Miss Ida C. Danielson, who has served the Chaddock, Winters & Alberts agency of Muskegon, Mich., and its predecessors for 37½ years, was honored during the week on her retirement, and was given a testimonial dinner by the agency. Miss Danielson served as bookkeeper for many years and more recently as treasurer of the agency. She is succeeded as treasurer by Jacob J. Hoekenga, who was among the several executives attending the affair, along with the president of the agency, Fred L. Winter, who has been with the organization more than 50 years. Mr. Winter is a former president of the Michigan Assn. of Insurance Agents.

#### Honor New Iowa C.P.C.U.s

Charles J. Smith, chairman of the first annual Insurance Day luncheon of the Iowa C.P.C.U. chapter, has announced that the event will be held Oct. 31 at Des Moines, honoring this year's designees.

M. L. Landis, counsel of Central Mutual of Ohio, will address the meeting and Dean Harry J. Loman of the American Institute will present certificates to the six Iowans awarded the designation this year.

#### Myers in Local Agency Work

Martin E. Myers, former fire special agent, has joined the insurance department of Bankers Trust Co., Indianapolis, as special representative. William Seyler is manager of the insurance department and B. M. Dewees, assistant manager.

Mr. Myers has had wide experience both as a company man and in the agency field. He will specialize in development of new business. He is a veteran.

#### Perry Terre Haute Chief

Gene Perry was elected president of Terre Haute (Ind.) Insurance Board at a luncheon meeting. Al Carle is vice-president and Gordon Belles is secretary. The installation will take place at a dinner Sept. 29.

Augus

Mix

to

operat

their

C, sha

specti

shown

tion to

der th

cancel

ation is

avida

plicati

justed

The

a pro

the co

under

durin

an app

appli

lowing

week

Ident

2. St

To

3. St

Name

4. St

Date

Accid

Is any

financi

If an

\* If a

priv

T

B

W

MUST B

period

experi

in the

for the

during

by the

cation

pany

B.I.

period

Each

surcha

means

policy

XUM

## Mixed Reaction to N.Y. Plan

(CONTINUED FROM PAGE 13)

operators rule, which, on the basis of their accident record, are classified B or C, shall be surcharged 10 or 20% respectively of the applicable manual rates shown on the state rate sheets in addition to the rate normally applicable under that rule. Any policy endorsed or canceled and rewritten so the classification is changed to effect a reduction, avoidance or postponement of the application of a surcharge, shall be adjusted on the short rate basis.

The information necessary to assign a proper rate shall be obtained from the company's records of the experience under its own policies insuring the risk during the experience period and from an application signed personally by the applicant, in accordance with the following: If the company has insured the risk at any time during the experience

## N.Y. Demerit Hikes May Ease Market

(CONTINUED FROM PAGE 13)

cities, notably Syracuse and Utica, there have been energetic safety, policemen enforcement and anti-jaywalking campaigns, and as a result the rates have been increased only slightly or in some cases actually reduced.

The state insurance department is to be commended for helping to bring about a demerit rating system under which the careful driver profits financially by his caution and the careless or reckless driver pays the penalty for his repeated accidents," the Times said.

"The high death and bodily injury toll, the great damage to property, the increased claim-consciousness, the (in some cases) exorbitant awards by juries to accident victims are the overwhelming causes for high premium rates, although insurance companies themselves make some small contribu-

tion in the past has been a strong advocate of compulsory insurance. As the Times has gotten into the subject more fully, however, there has been a noticeable change in the tone of its comments, editorial and otherwise, on the automobile situation. It has not lately come out flatly for compulsory, although it still is deeply concerned that there should be 100% insurance.

The New York Herald Tribune noted that "the single bright spot (in the unhappy automobile rate situation) is that the careful, courteous drivers who live in Rochester, Utica, suburban Syracuse and a few other upstate areas have been able to reverse the upward trend or to limit it to a negligible amount. They have achieved this record by endorsing in every way accident prevention campaigns in these communities. Motorists in other communities are now paying the penalty for careless driving that has caused the accident rate to soar."

The editorial points out that there is no monopoly on good driving habits and that they mean money saved. The demerit plan adds an incentive to achieve a clean record.

The Compass in its news story on the rate increase stated that "Critics assert the rates could be reduced substantially if companies would trim overhead costs,

which take more than 45 cents of each premium dollar — an astronomical percentage compared to costs in other kinds of insurance. They say Allstate and Farm Bureau have been able to keep rates down largely by instituting more efficient business principles and chopping acquisition costs which in standard companies amount to 21.8 cents of each premium dollar. This includes healthy commissions paid brokers and agents for writing policies and securing renewals, and promotion."

The New York Daily News broke the release date on the story, and there was some reaction from both newspapers and agents on this score, though the break was apparently inadvertent.

## LEGISLATIVE STUDY

By coincidence, the New York joint legislative committee on motor vehicle accident problems, specifically charged with studying the possibility of compulsory automobile insurance and the unsatisfied judgment fund idea, held a conference at Lake Placid over the weekend. The committee, headed by Senator William S. Hults, Republican of Port Washington, appeared to be

### J. PREFERRED RISK RATING PLAN APPLICATION FORM

Wherever an application is required the following form contains the minimum requirements for rating information to be obtained under this Plan:

Name of Applicant..... Date of Application.....

Address.....

1. Has the ownership of any of the automobiles now owned by the applicant been acquired from any other member of the applicant's household during the last two years?..... (Yes or No)

If "Yes" name previous owner..... Note: If answer is "Yes" the following information shall be supplied as if applicant had also been the previous owner.

2. Statement of Replacements of Automobiles Owned During Last Two Years. To be completed only if two or more automobiles have been owned at one time.

Identification of Replacing Automobile (Make, Year and Type)	Identification of Replaced Automobile (Make, Year and Type)	Date of Replacement

3. Statement of Automobile Liability Insurance Carried During Last Two Years.

Name of Insurance Company	Policy No. (if available)	Period of Coverage		Type of Coverage
		From	To	(Bodily Injury, Property Damage, or Both)

4. Statement of Accidents During the Last Two Years:
- (a) Has an automobile of the private passenger type owned by the applicant during the last two years been involved in an accident in that period resulting in bodily injury to other persons or damage to property of others?..... (Yes or No)
- (b) Has the applicant or spouse been involved in an accident resulting in bodily injury to other persons or damage to property of others during the last two years while operating an automobile not owned by either?..... (Yes or No)

If answer to either (a) or (b) is "Yes", complete the following:

Date of Accident	#Identification of Automobile(s) Involved in Accident (Make, Year and Type)	Result of Accident (Indicate Yes or No)		State whether as a result of such accident, (a) an amount has been paid as a loss, or (b) an amount is held as a loss reserve by an insurance company
		Bodily Injury to Other Persons	Damage to the Property of Others	

Is any civil suit pending against the applicant or is a security deposit required under any financial responsibility law as a result of any accident reported above?..... (Yes or No)

If answer is "Yes" give particulars on reverse side.

\* If automobile was not owned by the applicant or spouse, indicate type of automobile, i.e., private, commercial or public.

THE ABOVE INFORMATION IS GIVEN FOR RATING PURPOSES AND IF INCORRECT A PENALTY WILL BE CHARGED AGAINST THE APPLICANT EQUAL TO TWICE THE AMOUNT OF ANY SURCHARGE THAT WOULD HAVE RESULTED FROM A CORRECT STATEMENT.

MUST BE SIGNED BY APPLICANT.....

Personal Signature of Applicant  
(If applicant is a corporation or copartnership, an officer, other authorized employee, or partner may sign in this space.)

I hereby certify that to the best of my knowledge and belief the above signature is the personal signature of the applicant and that the stated information is correct.

MUST BE SIGNED BY REPRESENTATIVE in all cases where applicant is represented by an agent, broker or solicitor.

.....

Signature of Applicant's Representative

Nature of Representation.....

period, the company shall use its own experience. The information contained in the signed application shall be used for the balance of the experience period during which the risk was not insured by the company. Also, a signed application is required when the writing company has not insured the risk for both B.I. and P.D.L. for the entire experience period.

Each policy written at the class A (no surcharge) rate is to show either by means of a sticker on the face of the policy or a statement typed or stamped

(CONTINUED ON PAGE 22)



## Will Wrightem TALKS ABOUT ORGANIZATIONS

### Number your blessings —

Companies are not alone in the habit of joining together in formal organizations. Agents do it, the buying public does it—even the commissioners do it.

Let us remember even with the best intentions an organization may give advantage to the vociferous.

Each of us has a voice to be heard.

Will Wrightem  
FIELD CORRESPONDENT

THE YORKSHIRE INSURANCE CO. LTD.  
SEA BOARD FIRE & MARINE INSURANCE COMPANY OF NEW YORK  
THE YORKSHIRE INDEMNITY CO. OF NEW YORK  
90 JOHN STREET NEW YORK 38, NEW YORK

less favorably inclined toward a compulsory insurance law at the end of its deliberations than previously. Sentiment seemed to be growing for an unsatisfied judgment law similar to that enacted in New Jersey.

However, the feeling at the committee session apparently was that something would be done at the next legislature of a positive nature. The committee first was appointed in 1950 to look into the U.J.F. idea and this year its authority was extended to include a study of compulsory auto.

Hearings will be held by the committee in Buffalo, Albany and New York City in November and December. The exact dates will be scheduled after the committee reaches agreement on some sort of a definite proposal.

#### Moser Discusses Problems

Henry S. Moser, general counsel of Alistate, appeared at the invitation of the committee to discuss various aspects of the M.V. problem, but particularly the unsatisfied judgment fund and the impounding type of law.

Mr. Moser submitted a suggested draft of a bill on impoundment for committee consideration. This would allow uninsured motorists 48 hours in which to garage their vehicles and surrender registration plates and licenses. It would permit release of the car on posting of a \$500 security bond pending determination of the amount of damage by the motor vehicle bureau. The bill would provide stiff penalties for drivers using an impounded vehicle prior to posting security. The proposal moves up from 60 to two days present powers of the state to impound a vehicle. The insurance business has been impressed by the psychological value of impoundment as a result of the experience in British Columbia and Manitoba, where in three years insured cars rose to 93%.

It was brought out that a serious defect in New York's safety responsibility law permits a financially irresponsible motorist to drive so long as no legal

claims are filed against him, after an accident. In practice, lawyers do not file suit where there is little or no possibility of recovery.

Mr. Moser also discussed the U.J.F. as it was adopted in New Jersey.

The committee is covering in its study the compensation type approach.

#### Opposes Compulsory, U.J.F.

Senator Fred J. Roth, Republican of Utica and a member of the committee, said he opposed any form of compulsory state legislation, that the present safety responsibility law as it may be further strengthened presents the most effective and democratic means of solving the problem. He regarded as of small consequence the 654 unsatisfied judgments recorded by the motor vehicle bureau in 1951 in view of the six million licensed drivers in the state. The average unsatisfied judgment was \$193 for a total of \$127,000. He objects to a U.J.F. as opening another door by which the state would enter the insurance business because it would have to be financed largely by insured motorists. He thinks better enforcement of existing laws through an increase in number of state police, elimination of road hazards, adoption of driver education by all high schools, heavier penalties for traffic violations, and a point system similar to that in use in New Jersey and Connecticut that would remove accident prone drivers from the highways, are the answers to the problem.

The drive to continue reducing the pile-up of personal injury cases in the New York supreme court in Manhattan already has produced results, from 13,066 cases pending on Jan. 1 to 18,646 as of May 29, and will be stepped up this fall. The committee to speed the handling of such cases in New York and Bronx counties is comprised of 23 judges, city officials, lawyers and insurance representatives, reporting to presiding Justice David W. Peck of the appellate division of the New York state courts. Progress to date has been

achieved by a campaign to settle cases in pre-trial, calendar and trial parts, to waive jury trials, to shift cases to city and municipal courts and to screen supreme court cases and give priority to those involving deaths and permanent or protracted injuries.

#### Details of N.Y. Demerit Rating Plan Are Given

(CONTINUED FROM PAGE 21)

on the face or on the declaration page that it has been written as a class A rate. This statement should read, "This policy is written at the preferred class rate in consideration of the safe driving record of the insured." If two or more policies are insured under one policy and if some or all of the automobiles are not entitled to the class A rate, no such sticker or statement is to appear on the policy.

The plan, called a preferred risk rating plan, is to be applied to every automobile, with certain exceptions, defined by the manual as a private passenger automobile, if the classification rate applicable is based on the private passenger specified car rate and such automobile is insured either on the specified car or more automobiles than operators basis.

#### Other Manual Application

Subject to this provision, the plan also shall apply to insurance written in accordance with the following manual rules, drive other cars coverage when included in a policy insuring automobiles subject to the plan as respects non-owned automobiles; named non-owner policy, classes C2 and C3 only; automobile schools and automobiles used in driving training programs; garage employees cars; station cars and jeeps classified and rated as private passenger automobiles; trailers and semi-trailers when used with an automobile subject to the plan; police and fire department automobiles, and transportation of employees, fellow employees, and others.

The plan does not apply to an automobile part of a fleet eligible for experience rating or written under a fleet plan or insured on the payroll basis under a garage payroll policy.

If an accident under the plan is defined as an incident which occurred during the experience period resulting in B.I. or P.D. or both, arising out of the use of an automobile, in consequence of which an amount has been paid as a loss, or an amount is held as a loss reserve by the insurer, or a security deposit is required under a financial responsibility law, or a civil suit is pending against insured or applicant, claim expenses only, payments under medical payments coverage only, or medical first aid expenses only, shall not constitute a loss under this definition. The accident record is determined after the expiration of the experience period and as of a date not more than 60 days immediately following the expiration of the experience period.

#### Owner for First Time

The plan applies to a person who becomes the owner of a private passenger automobile for the first time and classification would be determined on the accident record during the experience period in connection with the use of non-owned automobiles by the individual and his spouse.

If this particular person owned an automobile during only part of the experience period, his accident record from the use of the owned automobile and from use of non-owned automobiles would be used as the experience base.

If the applicant owns two or more automobiles, the basis of rating each automobile is the accident record during the experience period of each auto and any replacement thereof plus the accident record with respect to use of non-owned automobiles by the applicant and spouse. If insured owns an automobile rated under the plan and later acquires an additional automobile during the policy period, the newly acquired auto is to be rated on the accident record.

ord during the experience period in connection with the use of non-owned automobiles by insured and spouse.

The accident record of insured resulting from use of a non-owned automobile affects the rate determination for him and for the owner of the automobile involved in the accident.

#### Insurance Is Not the Test

The accident record during the experience period applies whether or not there was previous insurance.

If applicant desires only B.I. or only P.D.L. insurance, the complete accident record for both must be used in rating the risk for either — or for both.

Automobiles other than private passenger cars are not considered in the determination of classification under the plan. However, the accident record of insured and spouse with respect to use of non-owned automobiles other than private passenger automobiles does apply in determination of classification rates under the plan, provided such non-owned automobiles are within the scope of the drive other cars coverage afforded insured and spouse under the policy.

Where an insured goes into the automobile assigned risk plan, the 10 to 20% surcharges of the preferred risk rating plan do not apply because the risk then is subject to a 15 to 25% surcharge of the assigned risk plan.

There will have to be two applications in connection with any new risk written by a company. If an insurer takes on a new risk Nov. 1, it will secure an application from insured covering experience in the 18 months ending six months prior to Nov. 1. Later on, it will have to take another application for the six months from April 30 to Nov. 1.

#### Administrative Problems

There are certainly going to be some administrative problems, according to observers in the business. Some insurance men regard these with considerable apprehension; others believe that the plan can be put into gear and function without too much difficulty. One note of pessimism was sounded by an underwriter who thinks the plan may work now that markets are tight and agents and insured are not shopping around, but that when automobile coverage again becomes desirable, ways will be found of shifting from one company to another in such a way as to get the preferred rate and avoid the surcharges. This was one of the difficulties of the old plan.

There has been a considerable amount of centralization going on among the casualty companies and there are more branch offices today than ever before. Since losses eventually have to end up at the home office, while the underwriting is done at the branch office, it is not going to be a simple matter to get the loss record to the underwriter on a day to day basis in order to handle the classification plan promptly. Perhaps some companies will have to clear everything through the statistical department. Another point is that some companies do not reserve small losses, \$50, or \$100, or \$150.

#### Branch Office Operation

Perhaps where a company operates through a branch office which does not have loss records, a system can be worked out under which the branch office underwriter keeps a record of losses arising in his sector.

Others think that the plan will not be too difficult to operate. If there is a claim office attached to the branch office, the underwriter will have losses in his file or at hand. The application should play a very key role in the new plan. The application calls for a statement on previous insurance. The current insurer would not check until there is an accident and then it might check the other company's record or even go to the motor vehicle department for the test check. If it developed that there were accidents that insured had not reported in his application to the company, it would certainly be a bad mark against that insured and his producer.

## CASUALTY • FIDELITY • SURETY

### Excess Contracts and Reinsurance Treaties

# Security Mutual Casualty Company

HOME OFFICE  
300 West Jackson Boulevard  
CHICAGO 6, ILLINOIS

NEW YORK OFFICE  
79 John Street  
NEW YORK 7, NEW YORK

period in non-owned spouse. Insured owned automation for the automobile.

the exper- er or not

3.I. or only accident both.

private pas- in the under the expect to use other than

such non- in the scope coverage af- under the

10 to 20% risk rating the risk then surcharge of

applications risk written or takes on secure an avering ex- ending six later on, it lication for to Nov. 1.

o be some ording to some insur- considerable that the d function. One note an under- may work and agents around, but age again be found to an- t the pre- surcharges. ries of the

le amount

among the are more er before. to end up underwriter- office, it is ter to get writer on a handle the

Perhaps ear every- department companies 0, or \$100,

operates does not can be ranch of- of losses

ill not be

here is a ranch of- losses in

application the new

a state-

The cur- until there right check

at for the that there d not re- the com- pad mark producer,

whose signature is also on the application.

Another point is that the demerit rating plan should make drivers much less eager to admit fault, as they often do presently, after an accident.

One important question is how much additional money the plan may mean to insurers. A check of experience under the previous plan reveals that it did not mean much.

For the year 1941, the plan (then classed as 1, 2 and 3 and now classed as A, B and C) showed that 94% of all risks to which the plan was applicable in New York City were written in class 1, 3.4% in class 2, and 2.6% in class 3. In the state outside of New York City, these figures were 97.2%, 1.6%, and 1.2%, and in the state as a whole they were 96.8%, 1.8%, and 1.4%.

## Immunity Risk Solution Broached

(CONTINUED FROM PAGE 13)

classification, at least if there is no question of the legality of the premium payment. On the other hand, removing the immunity entirely may not only open the door to actions which may be undesirable, but probably would result in the diversion of the trust funds of charities and the tax money of governmental subdivisions in the form of premium payments, not only to the extent of the total of all tort losses, but by the additional amounts involved in the administrative costs incident to the insurance. Whether the latter objection is valid is problematical in view of the widespread practice of insuring against the hazard notwithstanding the immunity.

The chief objection in principle to making the existence of insurance the criterion of liability is that it results in two rules of liability and for practical purposes permits the wrong-doer himself to choose whether or not he shall be liable. Theoretically, the third approach is more consistent with existing legal principles. While it is true that a direct action on the policy does violence to the "no action" condition of the policy, the construction of ambiguous or contradictory contracts to arrive at the intention of the parties is well known in the law. While this condition in the policy seemed to be an insurmountable obstacle in inter-family immunity cases and in the cases of immunity of charities and governmental subdivisions, at least in the absence of some form of legislative act, it presented no practical difficulty at all in the workmen's compensation cases.

In discussing tort liability of charities particularly, the speaker said that the cases fall into six categories. Absolute immunity as to all persons, immunity as to beneficiaries, but full liability of the charity to strangers or third persons. Full liability to strangers or third persons, but immunity as to beneficiaries unless the charity has not exercised due care in the selection of its servants in which case the beneficiary may also recover. The requirement of due care in the selection of its servants applied equally to both strangers or third persons and beneficiaries of the charity; if his duty is discharged, the immunity is effective, otherwise there is liability.

Also: jurisdictions which make a distinction between injuries arising out of the condition of the premises from those involving active negligence, and adopt a rule of full liability in such cases while otherwise applying the immunity rule in varying degrees.

Jurisdictions which hold the charity to the full liability rule the same as private corporations or individuals.

However, he said the trust fund theory of immunity, fully applicable to both beneficiary and stranger alike, affords the best background for the discussions. He went on to analyze the Illinois cases where the trust fund theory is so applied.

Because of the immunity rule, and in order to make use of insurance and thus spread the loss, the practice grew in Illinois, particularly in Chicago, to add an endorsement to the effect that the insurer would not raise the defense of

immunity without the consent of the insured. The purpose here was to provide coverage notwithstanding the immunity, reserving as a practical matter, however, the right to assert the immunity in cases of excessive or fraudulent claims.

### Liability Is Not Enlarged

The weight of authority supports the rule in general that carrying liability insurance does not create or enlarge liability on the part of the charity, even though by reason of such insurance damages might be paid to the plaintiff without diverting funds held for charitable purposes. Where the doctrine of partial liability applies, there is considerable logic in the rule for the insurance policy has a field in which to operate, but where the rule of complete immunity prevails, several questions are presented. For instance, is the policy inoperative? Is the premium payment an unauthorized diversion of trust funds? And what is the position of the insurer?

Going on to the tort liability of governmental agencies, the speaker said that persons injured in the course of governmental activities are practically without remedy. Nevertheless, in spite of the fact that there is no right of action the practice has grown up in governmental subdivisions to insure against tort liabilities. According to the majority rule the presence of liability insurance has no effect upon immunity. Since there is no right of action against the insurer under the provisions of the policy until the liability of the insured is established, and since liability cannot be established because of the immunity, recovery is denied. In other words, the policy protects only against the loss of the insured and does not purport to protect the injured person. Therefore, the prevailing view is that the policy neither creates nor enlarges liability on the part of the insured. As in the case of charities where the rule of partial liability applies there is some justification for the insurance, because there is some liability to which it can apply.

### Non-existent Liability

The same is true where governmental agencies or subdivisions are carrying on both proprietary and governmental functions and, therefore, are to some extent responsible in tort. But where the rule of total immunity and complete non-liability applies in the case of charity, or where only governmental functions are carried on by the governmental agencies or subdivisions, what, he asked, is the justification for diverting either trust or public moneys to insure against a non-existent liability? He took cognizance of the notion that here the insurance is really limited to the obligation to provide a defense against groundless suits including both investigation and legal services and to protect against a possible change in the law, and that as a result of the limited undertaking, rates are adjusted accordingly. It has been held in this situation that the undertaking to defend is sufficient consideration for the premium. But he expressed the belief that factually, the situation comes dangerously close to the practice of law on the part of the insurer, for it has been held that an agreement to provide a legal defense constitutes the practice of law and that where there is an intermediary between lawyer and client he must, himself, be a lawyer. On the other hand, if a standard premium is charged the insurer is charging for a risk which it does not undertake. He remarked that in Louisiana where by statute a direct action against the insurer is permitted, recovery in the case of a governmental subdivision is allowed on the reasoning that the defense of immunity is personal to the governmental subdivision and is not available to the insurer.

He said the suggestion has been advanced that in those cases where the policy contains an endorsement waiving the defense of immunity by the insurer, recovery should be permitted by direct suit on the policy as a third party beneficiary contract, because such endorsement is inconsistent with the condition

of the policy, impossible of fulfillment, which requires the liability of the insured to be first determined before the obligation of the insurer arises.

Going into the matter of workmen's compensation coverages he took up situations arising from attempts to insure coverage under the compensation act to persons who would not ordinarily be covered either because the employer is not under the act or because the injured person is not employed in a covered occupation. It is generally held that the insurance policy here does not enlarge the scope of the compensation act nor afford coverage under the acts. It does not confer jurisdiction on the industrial commission, and does not estop the insurer from asserting its defense of lack of jurisdiction or the factual defense that there is no right to an award.

### Extension of Agreement

The prevailing view is that the extension of coverage by agreement is permitted on the theory that the parties are free to enter into any contract which they choose. The policy is given effect as a third party beneficiary contract or an accident policy and a direct suit thereon against the insurer by the person who is injured is permitted. There have been decisions that as to political subdivisions that were not under the compensation act and that sought to extend coverage by insuring their employees that a direct suit on the policy was proper because the policy created a

direct obligation to the employees, the liability and the extent of recovery being measured by the terms of the workmen's compensation act.

## Realing of Thermopolis Is New Wyo. President

(CONTINUED FROM PAGE 14)

their own game, and "we can prevent the further socialization of our industry."

Mr. Seymour also cautioned the agents to watch carefully the efforts of the C.I.O. in the field of insurance. Already, he said, this group has attempted, although unsuccessfully, to secure passage of legislation in New York to set up a state fund to handle workmen's compensation, to remove private companies from the disability field and to set up a statewide compulsory health insurance program.

Brad Bannon has left the Dudley Stair agency of **Tacoma, Wash.**, to establish his own agency.

Sherwood & Roberts has purchased the P. M. Phillips & Co. agency at **Yakima, Wash.**, from the Phillips estate.

Richard G. Severin, who has been operating a local agency at **Salem, Ore.**, is retiring to devote his entire time to real estate. The insurance operations have been taken over by Carle Abrams, Earl D. Bourland and Gordon L. Skinner.

Carl L. Obermann, **Ottumwa, Iowa**, local agent, has purchased the former Santee agency at Fremont, Ia., and will operate it in connection with his present business.

*On your toes*



If you're "on your toes," you know that working for the safety of your fellow-citizens is one of the finest public relations activities your agency can undertake.

You know, too, that keeping pedestrians safety-conscious and alert is a mighty important part of traffic safety. Often, however, the pedestrian problem is overlooked, and someone has to point it out and propose protective measures.

You, as an insurance agent, can help. You will find a wealth of practical ideas in the Zurich-American Safety Zone film, "On Your Toes." And you will find real satisfaction in helping others to think safety and live safely.



**ZURICH-  
AMERICAN**  
INSURANCE COMPANIES

Zurich General Accident and Liability Insurance Company, Ltd.  
American Guarantee and Liability Insurance Company

HEAD OFFICE: 135 S. LA SALLE ST., CHICAGO 3, ILLINOIS

rapid expansion of government operations in the insurance field has been lack of experience. However, he pointed out, although the experience gained can not be taken away, "by presenting a united political front" the do-gooders and social planners can be beaten.

## Convention Dates

Sept. 7-12, Hemispheric Insurance Conference, Waldorf-Astoria Hotel, New York.  
 Sept. 7-9, Insurance Advertising Conference, annual, Pocono Manor Inn, Pa.  
 Sept. 7-9, Pennsylvania Assn. of Insurance Agents, Galen Hall, Wernersville, Pa.  
 Sept. 8, Vermont agents, annual, Lake Morey Inn, Fairlee.  
 Sept. 8-9, Illinois Agents, annual, Leeland Hotel, Springfield.  
 Sept. 8-9, South Dakota Agents annual, Watertown.  
 Sept. 8-10, Oregon agents, annual, Multnomah Hotel, Portland.  
 Sept. 10-11, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea.  
 Sept. 10-12, New Jersey Agents, annual, Atlantic City.  
 Sept. 10-12, Michigan Agents, annual, Pantlind hotel, Grand Rapids.  
 Sept. 10-12, Maine Agents, annual, Samoset hotel, Rockland.  
 Sept. 11-12, Minnesota Agents, annual, Hotel Duluth, Duluth.  
 Sept. 14-16, Montana Agents, annual, Miles City.  
 Sept. 15-19, American Bar Assn. Insurance section, San Francisco.  
 Sept. 15-17, Idaho Agents, annual, Hotel Bannock, Pocatello.  
 Sept. 16-17, Zone 1 of N.A.I.C., Eastland Hotel, Portland, Me.  
 Sept. 17-19, C.P.C.U. annual Jefferson hotel, St. Louis.  
 Sept. 22-23, Utah Agents, annual, Hotel Newhouse, Salt Lake City.  
 Sept. 22-25, National Assn. of Insurance Agents, annual, Cleveland.  
 Sept. 23-24, H. & A. Underwriters Conference underwriting forum, Netherland Plaza Hotel, Cincinnati.  
 Sept. 29-Oct. 1, Bureau of Accident & Health Underwriters, annual, Grove Park Inn, Asheville, N. C.  
 Sept. 29-Oct. 1, Western Underwriters Assn., semi-annual, Greenbrier Hotel, White Sulphur Springs, W. Va.  
 Oct. 1-3 Mutual Loss Managers Conference, Edgewater Beach hotel, Chicago.  
 Oct. 1-3, Zone 3 of N.A.I.C., Mobile, Ala.  
 Oct. 2-3, Zone 4 of N.A.I.C., Schroeder hotel, Milwaukee.  
 Oct. 4-8, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint meeting, Greenbrier hotel, White Sulphur Springs, W. Va.  
 Oct. 7-8, Connecticut agents, annual, Hotel Taft, New Haven.  
 Oct. 9-10, Nebraska Agents, annual Hotel Cornhusker, Lincoln.  
 Oct. 12-17, Mutual Company and Agents Associations, Hotel Ben Franklin, Philadelphia.  
 Oct. 15-16, Kansas Agents, annual, Jayhawk Hotel, Topeka.  
 Oct. 16-18, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.

Oct. 16-17, South Carolina Assn. of Insurance Agents, Ocean Forest hotel, Myrtle Beach.  
 Oct. 20-21, Tennessee Agents, annual, Noll Hotel, Nashville.  
 Oct. 20-24, National Safety Congress, Conrad Hilton Hotel, Chicago.  
 Oct. 21-22, Massachusetts Agents, annual, Copley Plaza Hotel, Boston.  
 Oct. 22-24, Insurance Accountants Assn., annual conference, Sky Top Lodge, Sky Top, Pa.  
 Oct. 27-28, Missouri Agents, annual, Sheraton hotel, St. Louis.  
 Nov. 2-3, Arizona Agents, annual, Hotel Westward Ho, Phoenix.  
 Nov. 9-11, Kentucky agents, annual, Kentucky hotel, Louisville.  
 Nov. 12-14, Wisconsin Agents, annual, Hotel Schroeder, Milwaukee.  
 Nov. 13-14, American Management Assn. insurance conference, Drake Hotel, Chicago.  
 Nov. 17-19, Indiana Agents, annual, Claypool Hotel, Indianapolis.  
 Nov. 20-21, National Assn. of Independent Insurers, annual meeting, Conrad Hilton hotel, Chicago.  
 Nov. 17-19, California agents, annual, Oakland.  
 Dec. 7-11, National Assn. of Insurance Commissioners, midyear, Commodore hotel, New York.

## Coast Office at San Bruno for Providence Washington

Plans for the construction of a Pacific Coast headquarters building to be located at San Bruno, 14 miles south of San Francisco, are being prepared for the Providence-Washington. The company recently purchased a block of land there. When the building is completed all departmental operations on the coast will be centralized in that location. A service office will be maintained in San Francisco.

Following the removal of the Pacific department headquarters of North America to San Jose a few years ago, there have been intermittent reports of similar moves by other companies.

About a year ago there was a report that the Fireman's Fund planned to move its head office from its present location in the center of the city's financial district out into a major residential section of a plot of several acres. However, the plans were delayed because of the necessity of having the area rezoned for business purposes. This location would be about five miles west of the present site.

**SAMUEL S. GLASS**, who has had his own insurance agency at Detroit for more than 60 years, died there at the age of 80. Mr. Glass had been at his desk every day until his death.

**LEONARD FOX**, former state agent in Minnesota for Hanover, and more recently an independent adjuster in that territory, died there.



"I'M NOT GOING TO ASK, 'WHERE DO YOU THINK YOU'RE GOING? . I KNOW WHERE YOU'RE GOING."

## G.M. Hits Hard in Supreme Court

(CONTINUED FROM PAGE 1)

only practically prevents the ordinary dealer-agent who has held a license for a limited time from continuing in license, but now that the superintendent has taken his position with respect to new applicants, prohibits the initial licensing of any automobile dealers as insurance agents. A newly licensed dealer-agent normally begins business without any backlog of insurance renewals or any clientele of prospects other than his automobile purchasers. Under the superintendent's construction, a dealer-agent is practically deprived of his most natural opportunity even to get started. At once confronted with the opportunity of serving his car purchasers by soliciting them to purchase insurance from him, he would have to forego many such opportunities until he had gone out of his way and matched that type of insurance business with new business which would not normally come his way until his insurance production record—whatever its volume—was in proper "balance" percentage-wise. Thus, even if the average newly licensed automobile-dealer-agent were able to develop an "outside" insurance clientele, he would have to say at various times to many a car purchaser insurance prospect: "I am sorry. I can't offer you this insurance. You'll have to go elsewhere for it. Yesterday I could have sold it to you. Tomorrow I might be able to—but unfortunately you need it, of course, right away."

### Convenient Service Stressed

The brief contends that the opportunity of convenient insurance service afforded by dealer-insurance agents to automobile buyers needing physical damage insurance is a public good and just as valuable to both sides of the transaction as that afforded, in a different field, by real estate agents who almost universally are also insurance agents.

Motors said it has contended throughout that the evil against which the provisions of the statutes are aimed is the excessive "principal" use of an insurance agent's license to obtain insurance for the agent himself at reduced cost by virtue of his commissions or to act as a purchasing broker for certain others in close personal or economic association with himself in which event he would not be "holding himself out in good faith as an agent" . . .

The superintendent of insurance, however, construed and applied the words "upon . . . property . . . for which . . . the appointee . . . is . . . vendor" as embodying a limitation upon the agent insuring customers of his other business in respect of property sold by him to them. In other words, the quoted phrase was taken to refer to insurance covering the vendee of property which the agent had sold and "for which" he had been the vendor.

### Hits Arithmetical Count

Also, Motors contend that the terms "principally" and "principal use" can only validly be interpreted as requiring the superintendent to exercise a reasonable discretion, taking into account, particularly in the case of newly licensed agents, their unsuccessful solicitations and—under the superintendent's view as to what constitutes the restricted class—the prospects of annual renewal business and other business derived from insured not in the category of vendees in contemporaneous transactions involving the sale of automobiles. However, the superintendent applied "principally" and "principal use" as requiring denial of licensure if, on the basis of merely an arithmetical count, a majority of policies were issued during a given period of time to persons in what the superintendent conceived to be the restricted class (automobile buyers) and considered that such arithmetical count could be taken after the lapse of an unreasonably short period of time from inception of licensure. In the case of new automobile dealer-applicants, the superintendent assumed . . . that such persons would,

if licensed, effect a majority of policies in the supposed restricted class . . . and he, therefore, refused to issue first-time licenses to such persons.

When this action was taken, Motors was operating in Ohio through about 1100 dealer agents. It commenced operations there in September, 1948. On Aug. 12, 1949, the superintendent sent questionnaires to these agents requiring them to list the insured in all policies written by them and to state in how many instances the automobiles had been sold by the agents or their employers. On the basis of the answers and the superintendent's interpretation of the "principal use" provision of this law, he revoked the licenses of certain agents and while appeals in these cases were pending, refused to renew the annual licenses expiring June 30, 1950 of all but three of the other agents. Also, he refused to issue new licenses to appointees of Motors who were in anywise connected with automobile dealerships. Hence a class action for an injunction was filed June 21, 1950, in Franklin county common pleas court.

### No Tie-In Arrangement

The brief states that in no instance was the dealer-agent a party insured, that the entire premium cost was borne solely by the car purchaser, and that no car purchaser has been required to buy the insurance as a condition for the purchase or the financing of the car.

The opinion of the common pleas court is the only one which contains any discussion of the statutes, the brief states, and there is quoted from that opinion the statement that the purpose of the restriction was intended to prevent an unfair advantage in the placing of insurance and the licensing of persons who were not intending to do a general insurance business, but simply to supplement their primary business of selling automobiles.

The brief said the court thus considered "unfair" the competitive advantage of a dealer-agent. This advantage, however, the brief declares is natural and legitimate.

The brief states that Mr. Robinson asserts that the "preeminent" evil against which the Ohio statutes are aimed was "the situation which existed during the automobile shortage when the purchaser was at the mercy of the dealer, and was required to take the automobile loaded with unwanted accessories including insurance coverage when the dealer had a licensed agent available."

### Significance in Date of Enactment

"That this assertion is no more than a figment of the imagination," the brief declares, "is shown by the fact that this could not have been a legislative purpose at the time of enactment because the principal use provision . . . was enacted in 1935 when there was not and never theretofore had been any automobile shortage." Also, the statutes are, as Mr. Robinson said, "not limited in scope to automobile dealers" so it is impossible to assume as does Mr. Robinson, that an evil peculiar to the automobile business was the object of the legislation. There is also a section of the law which makes it a criminal offense and a cause in itself for license revocation for the purchase of insurance from a particular company or agent to be made a condition precedent to the sale or financing of property. Also the common pleas court found no such "preeminent evil" and declared an entirely different purpose of the statutes.

**Robert W. O'Brien**, northeast Kansas state agent of Royal-Liverpool at Topeka, and Mrs. O'Brien are the parents of a baby son, David Richmond.

The Detroit and Wayne county office of Corroon & Reynolds has been moved to the David Stott building. Don R. Bray is the manager.



There is no such thing as a ceiling on success in insurance selling. How far a man goes depends upon his knowledge of insurance . . . and his ability to sell. And he can add to both of these vital factors by enrolling in a course at The Travelers Casualty and Fire School.

Since 1903, The Travelers Schools have specialized in making good agents better. Expert teachers give highly valuable training in all lines of Casualty, Fidelity, Surety, Fire and Marine insurance.

The latest methods of salesmanship and programming are studied. In a few short weeks the agent who was "doing all right" returns home with a one-way ticket to success. If you are interested in improving your own business . . . or if you are planning to take a young man into your agency and want to start him out on the right road . . . why not get in touch with the nearest Travelers Branch Office. Talk things over with the Manager. He'll be glad to give you full information about The Travelers Casualty and Fire School.

Applications are now being accepted for 1953.

**THE TRAVELERS  
INSURANCE COMPANY  
HARTFORD, CONNECTICUT**

*the Home  
of the Sage  
of Stenton ...*



*... Saved by quick-witted Caretaker*

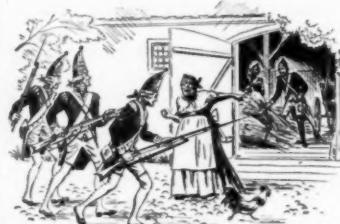
WHILE William Penn and his secretary James Logan were traveling to America in 1699, their ship, according to legend, was attacked by pirates. Penn's principles forbade resistance but Logan successfully defended the vessel.

As Penn's confidential adviser, the scholarly Logan wielded great influence in Pennsylvania, in time becoming governor of the colony and mayor of Philadelphia. His home in what is now Germantown was started in 1723 and was named Stenton after his father's birthplace in Scotland. In his own words, he was obliged to spend much time at home, "being wholly reduced to a pair of crutches and Sedentary Life by a fall off my feet." Nevertheless, the curtailment of his physical activity enabled him to devote himself to writing and to his remarkable library.

Logan was exceedingly friendly with the Indians who used to stay at Stenton for long periods, lining the staircase at night or camping in the maple grove. Because of his admiration for Logan, Chief Wingohocking proposed that they exchange names in the Indian custom. Instead, Logan suggested that the chief's name be given to the stream that flowed through the property so that "while the earth shall endure" it would be called Wingohocking. The creek, incidentally, has long since gone underground.

Owned by the Logan family for many years, Stenton was Washington's headquarters before the battle of Brandywine. At the battle of Germantown the house fell into British hands and was occupied briefly by General Howe.

Later in 1777 two dragoons arrived in Germantown for the purpose of carrying out orders to burn the homes of patriots in the neighborhood. While they were in the stable gathering straw to start a fire in Stenton, a party of soldiers came looking for deserters. Dinah, the Negro caretaker, promptly told them that two suspicious men were lurking in the barn and despite their indignant protests the two dragoons were seized. Seventeen houses had been burned, but thanks to Dinah, Stenton was saved. Now the property of the city of Philadelphia and under the custody of the Pennsylvania Society of The Colonial Dames of America, this important landmark is open to public view.



*The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.*

The Home Indemnity Company, an affiliate, writes Casually Insurance, Fidelity and Surety Bonds  
Copyright 1952, The Home Insurance Company

★ THE HOME ★  
*Insurance Company*

Home Office: 59 Maiden Lane, New York 8, N.Y.

FIRE • AUTOMOBILE • MARINE